

Excellence in Infrastructure Services

ARTEFACT
PROJECTS LTD.

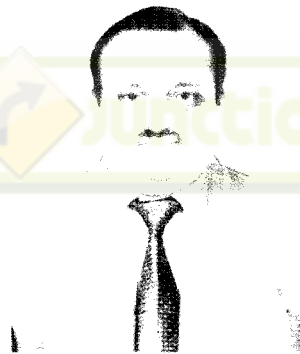


19th
ANNUAL REPORT
2006 - 2007

BOARD OF DIRECTORS



MR. MANOJ SHAH
(MANAGING DIRECTOR)



MR. PANKAJ SHAH
(WHOLE TIME DIRECTOR)



Maj. B. K. MEHTA
(DIRECTOR)



MR. ASHOK MEHTA
(DIRECTOR)



MR. MOHAN ADIGE
(DIRECTOR)



MR. GIRISH DHABLIA
(DIRECTOR)



19th ANNUAL REPORT 2006-07



ARTEFACT PROJECTS LIMITED

BOARD OF DIRECTORS

Mr. Manoj B. Shah
Mr. Pankaj B. Shah
Mr. Mohandas S Adige
Maj Gen (Retd) B.K. Mehta
Mr. Ashok Mehta
Mr. Girish R. Dhabalia

AUDITORS

M/s Naresh Patadia & Co.

BANKERS

Canara Bank

REGISTERED OFFICE

1ST Floor, Bhiwapurkar Chambers, Opp. Yashwant Stadium,
Dhantoli, Nagpur- 440 012 (Maharashtra, India)

REGISTRAR & SHARE TRANSFER AGENTS:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup West,
Mumbai-400 078

CORPORATE WEBSITE

www.artefactprojects.com





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Overview of Past 5 years Operations

5 Years at a Glance

(Rs. Lacs)

Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07
PROFIT & LOSS ACCOUNT					
Revenues :					
Receipt from operations	686.63	793.22	807.51	1,408.66	2077.37
(includes receipts from Project Services)	(596.84)	(742.68)	(791.42)	(1,408.66)	(2077.37)
Other Income	0.35	6.13	7.63	33.07	20.81
Total Income	686.98	799.35	815.14	1,441.73	2098.19
Expenditure:					
Operating & Administration Expenses	572.12	704.75	723.22	1,097.21	1571.28
Operating Profit (PBIDT)	114.86	94.60	91.92	344.52	526.91
Interest & Finance Charges	46.95	37.76	43.92	54.81	93.39
PBDT	67.91	56.84	48.00	289.71	433.52
Dep & Non Cash Charges	34.42	22.64	9.68	1353.53	46.79
PBT	33.49	34.20	38.32	154.18	386.79
Tax	12.10	9.75	9.52	46.54	138.12
PAT, for the year	21.39	24.45	28.80	107.64	248.61
Dividend per share proposed (Rs.) -	-	-	-	0.50	0.75



**BALANCE SHEET**

(Rs. Lacs)

Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07
Company's Assets					
Net Block- Fixed Assets-Own	117.37	116.49	132.24	132.22	658.85
Net Block- Fixed Assets-Leased	205.63	171.18	171.02	-----	-----
Investments (Incl. JVs)	0.01	0.01	24.55	16.84	27.82
Net Current Assets	554.93	537.82	591.62	949.54	1135.02
Total Assets	877.94	825.50	919.43	1098.60	1821.69

Company's Dues

Secured Loans	243.15	163.84	227.47	327.87	812.60
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Company's Net Worth

Equity Share Capital	407.76	407.76	407.76	407.76	407.76
Reserves & Surplus	230.16	255.41	284.20	362.97	601.33
Miscellaneous Expenditure (to the extent not w/off)	3.13	1.51			-----

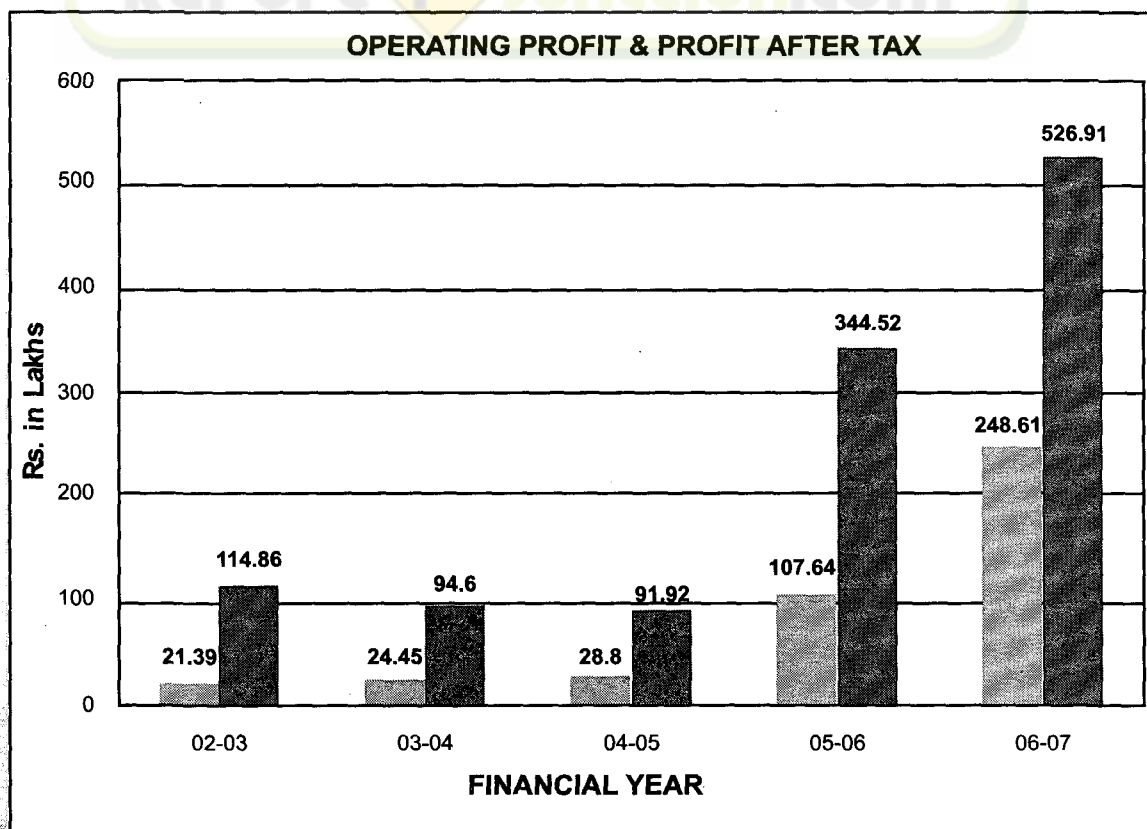
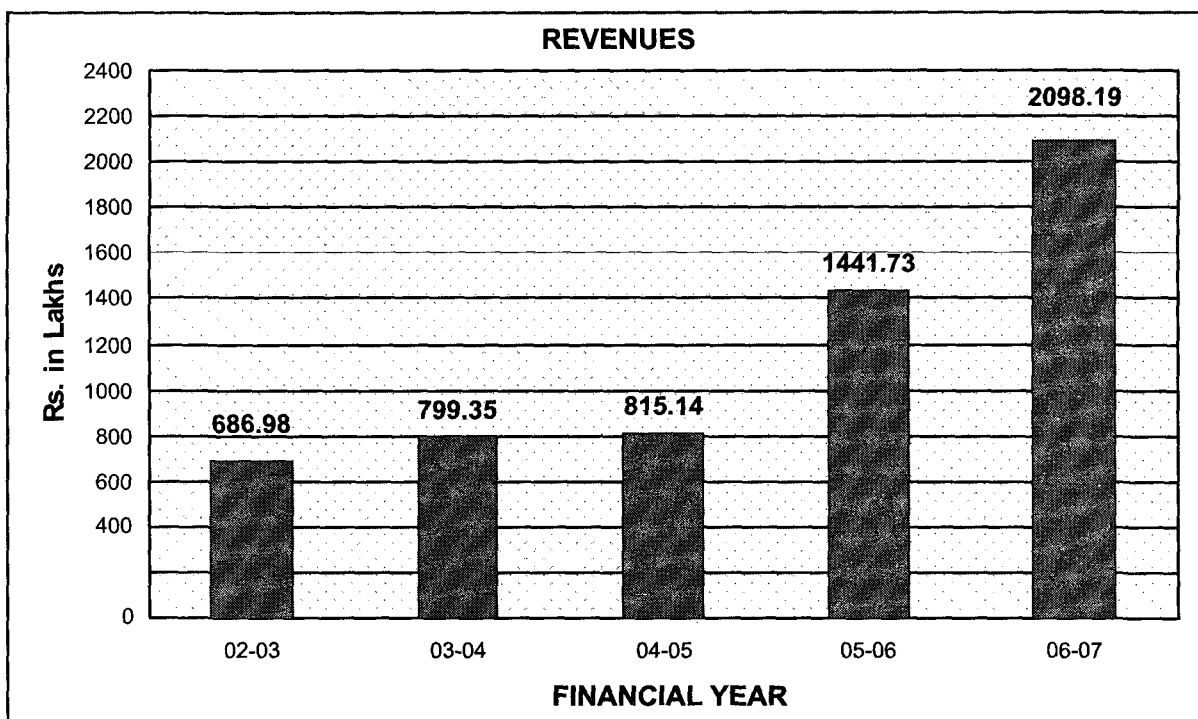
Total Net worth	634.79	661.66	691.96	770.73	1009.09
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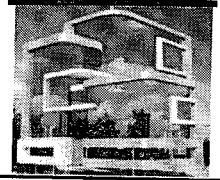
TOTAL LIABILITY	877.94	825.50	919.43	1098.60	1821.69
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FINANCIAL RATIOS

Ratios / Financial Year	2002-03	2003-04	2004-05	2005-06	2006-07
Debt- Equity Ratio (times)	0.38	0.25	0.33	0.43	0.81
Earnings per Share (Rs.)	0.52	0.60	0.71	2.64	6.1
Operating Profit/NW	18.09%	14.29%	13.28%	44.70%	52.20%
PBT/NW	5.28%	5.17%	5.54%	20%	38.33%
PAT/NW	3.37%	3.69%	4.16%	13.97%	24.62%







NOTICE TO SHAREHOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held on Monday, 24th September, 2007 at 11.00 a.m. at Banquet Hall, Hotel Center Point, Central Bazar Road, Ramdaspath, Nagpur-440 012, to transact the following business:

As Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2007, and the Profit and Loss Account for the Financial Year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend as proposed, on Equity Shares of face Value Rs. 10/- each of the company
3. To appoint a Director in place of Mr. Ashok Mehta, who retires by rotation and is eligible for reappointment
4. To appoint M/s Naresh Patadia & Co., Chartered Accountants, as Joint Statutory Auditors of the Company .
5. To appoint M/s Chaturvedi & Shah, Mumbai as Joint Statutory Auditors of Company.

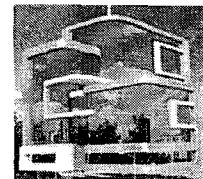
BY ORDER OF THE BOARD OF DIRECTORS

Date :30th July, 2007

REGISTERED OFFICE:
1st Floor, Bhiwapurkar Chambers
Opp. Yeshwant Stadium
Dhantoli, Nagpur- 440 012

Sd/-
MANOJ B. SHAH
MANAGING DIRECTOR





Notes :

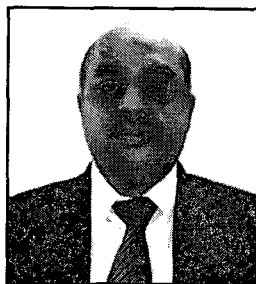
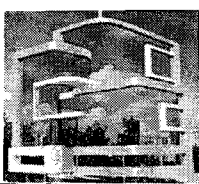
1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the Attendance slip duly filled in for attending the meeting.
3. The members are requested to notify any change of address with Pin code number to the registered office of the company. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of 9th of September, 2007 will be considered by the Company.
4. Register of Members/ Transfer Books of the Company will remain closed from 10th September, 2007 to 24th September, 2007 (both days inclusive) for the purpose of payment of Dividend
5. All the documents referred to in the Notice are open for inspection by the members of the Company at its Registered office between 10.00 A.M. to 1.00 P.M. on any working day of the Company, until the date of ensuing Annual General Meeting or any adjournment or adjournments thereof.
6. Note for item no 5 of the notice
A special notice in terms of section 190 of the Companies Act, 1956 has been received from a member proposing the appointment of M/s Chaturvedi & Shah, Chartered Accountants, Mumbai as Joint Auditors of the Company (in accordance with the provisions of section 225 of the Companies Act, 1956)
7. Information as required by Clause 49(VIA) of the Listing Agreement

Profile of Mr. Ashok Mehta

Born on 10th of Dec. 1944 he has an excellent academic record. He has done graduation in Engineering and M-tech in Industrial Engineering & Management and P.G Masters in Industrial Relations & Personnel Management and has a very rich 37 yrs. success professional track record.

Some of his achievement worth mentioning are :

- He was Chairman/MD of two Major subsidiary companies of Coal India Ltd. (WCL & ECL), a prominent PSU.
- He was responsible for formation of revival plan to wipe out losses of the PSU and the revival plan was accepted by BIFR and approved by the Government.
- He took a challenging responsibility of increasing the production to a record 2 mn tonnes annually which resulted in increase of turnover to Rs 3000 crores.
- He has experience of working as Director (HR) in SECL where there was 1 lakh employee strength. He had a unique experience of handling multi-unions and wage negotiations pact for 20 yrs period.
- He was at Board Level in a Central PSU for almost 10 years.



Letter from Managing Director

Dear Shareholders,

Infrastructure is the **“Backbone to Economic Development & critical for sustained growth”**. There is a renewed and enhanced focus on infrastructure development envisaging an outlay of more than US \$ 374 Bn in next five years. This focus and priority is defining the growth required in this sector. Infrastructure Development is a National Priority. Infrastructure development enjoys blessings of Policy makers, planners and economists.

I am very happy to inform you that your Company's strategic position in Indian Infrastructure services and Project Consultancy business, has resulted in good performance in the previous year.

It is my great pleasure to highlight the operational and financial performance of your company during the FY 2006-07.

- Total income of Rs 209.82 Mn, from Rs 144.2 Mn in FY 2005-06, up 46%.
- Net Profit of the Company of Rs 24.9 Mn, from Rs 10.7 Mn in the FY 2005-06, up 131%.
- Increase in operating margins from 24 % to 26 %
- Earnings per share (EPS) stood at Rs 6.1, an increase of 131%.
- Dividend of 7.5% i.e. Rs 0.75 per equity share of face value of Rs 10/- each resulting in payout ratio of 14%.
- Enhanced Revenue visibility of Rs 1.45 Bn in terms of ongoing fees written and under execution.

During the year, your company also undertook capital expansion estimated to incur Rs. 120 Mn for creation of Global design Center, technology upgradation, and provision for expansion.

Your company has progressed in a competitive environment demanding competency and creativity. Enhanced inputs of talent, expertise and specialization has enabled cross functional talents being adopted for project services and competence building. It would not have been possible but for contributions from our esteemed employees, associates and JV partners, for their support and building of global working standards.