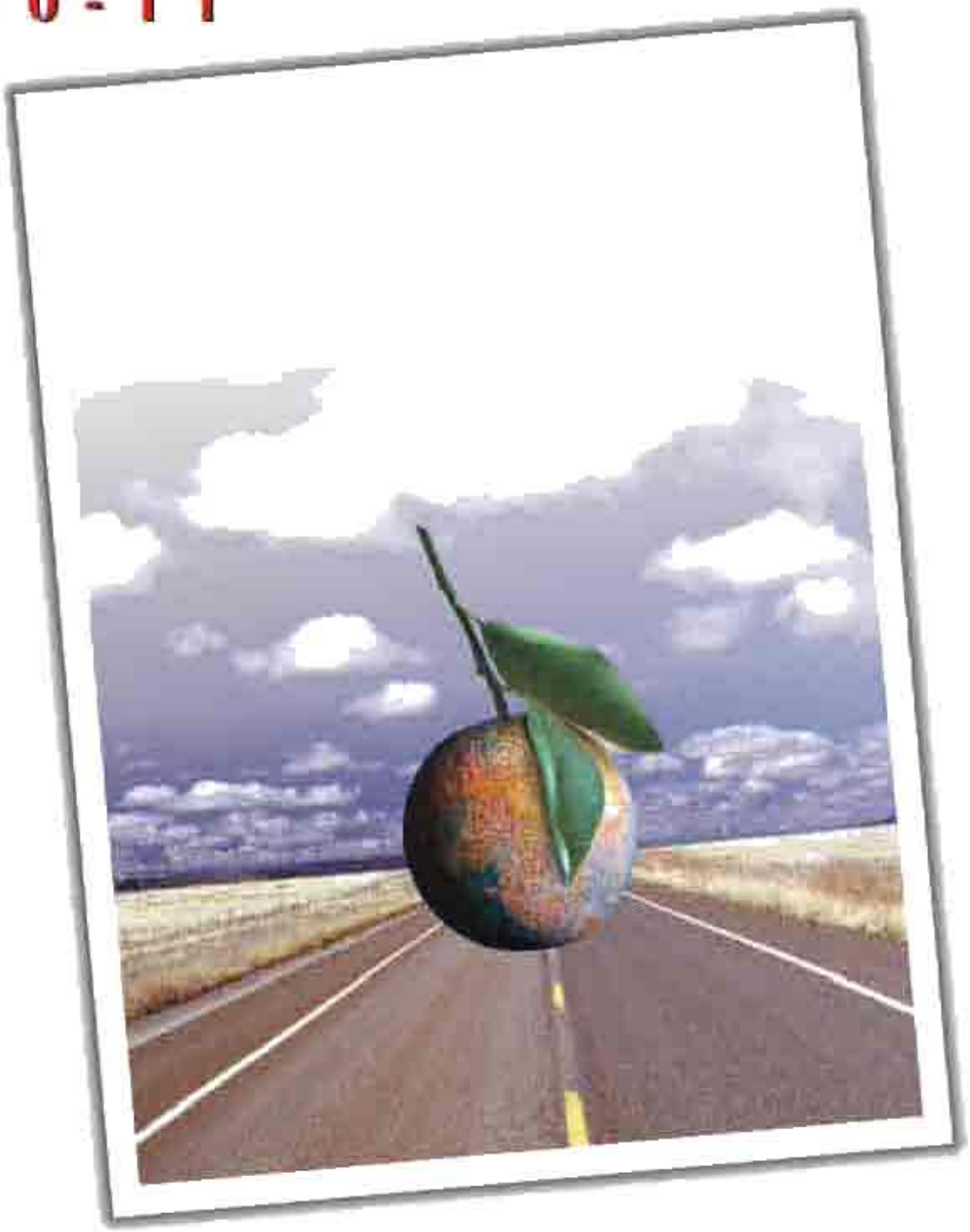
Annual Report
2010-11



● GROWTH ● PROSPERITY ● PROGRESS

ARTEFACT
PROJECTS LTD.
Excellence in Infrastructure services

ARTEFACT PROJECTS LTD.

The Key Management Team Comprises of

BOARD OF DIRECTORS

Manoj B. Shah
Managing Director

Pankaj B. Shah
Whole-time Director

Mohandas S. Adige
Non Executive Director

Girish R. Dhabalia
Independent Director

Deepak B. Mehta
Independent Director

Ashok P. Mehta
Independent Director

23rd Annual Report 2010-11

Artefact Projects Limited

Corporate Information

BOARD OF DIRECTORS

Mr. Manoj B. Shah
Managing Director

Mr. Pankaj B. Shah
Whole-time Director

Mr. Mohandas S Adige
Non-executive Director

Mr. Deepak B. Mehta
Independent Director

Mr. Ashok P. Mehta
Independent Director

Mr. Girish R. Dhabalia
Independent Director

JOINT STATUTORY AUDITORS

M/s Chaturvedi & Shah
M/s Naresh Patadia & Co.

BANKERS

Canara Bank

REGISTERED OFFICE

"Artefact Towers", 54/3,
Chhatrapati Nagar,
Wardha Road, Nagpur- 440 015
(Maharashtra, India)
Tel: +91712-3025120
Fax: +91712-
Email: artefactnagpur@yahoo.com
shareholders@artefactprojects.com

REGISTRAR & SHARE TRANSFER AGENTS

Link Intime (India) Private Limited (formerly known as 'Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound
LBS Road, Bhandup West,
Mumbai-400 078
Ph: +9122 25963838, Fax: +9122 25946969

CORPORATE WEBSITE

www.artefactprojects.com

CONTENTS

	Page No.
1. Performance at Glance……	4
2. Notice of Annual General Meeting ……	7
3. Letter from Managing Director ……	16
4. Directors Report ……	18
5. Management Discussion and Analysis ……..	26
6. Corporate Governance Report ……	31
7. Shareholders Reference……	53
8. Financial Statements Consolidated ……..	60
9. Financial Statements Standalone……..	76
10. Statement u/s 212……..	98
11.Proxy Form and Attendance Slip……	100

5 YEARS PERFORMANCE AT A GLANCE

(₹ Lacs)

FINANCIAL YEAR	2006-07	2007-08	2008 - 09	2009-10	2010-11
REVENUES :					
Gross Receipt from operations	2077.37	2542.9	2960.55	2374.41	2096.35
Other Income	20.81	26.05	23.77	33.1	56.73
Total Income	**2,098.18**	**2,568.95**	**2,984.32**	**2,407.51**	**2153.09**
Expenditure:					
Operating and Administrative Expenses	1565.28	1967.26	2459.85	1895.12	1672.66
Operating Profit	**532.9**	**601.69**	**524.47**	**512.39**	**480.43**
Interest & Financial Charges	99.39	102.57	119.51	102.61	196.71
PBDT	**433.51**	**499.12**	**404.96**	**409.78**	**283.72**
Non Cash Charges	46.79	29.32	38.59	35.26	69.32
PBT	**386.72**	**469.8**	**366.37**	**374.52**	**214.40**
Tax	138.12	201.48	151.42	129.05	59.57
PAT	248.60	268.32	214.95	245.47	154.83
Dividend per share proposed (Rs.)	**0.75**	**0.75**	**0.75**	**0.75**	**0.75**

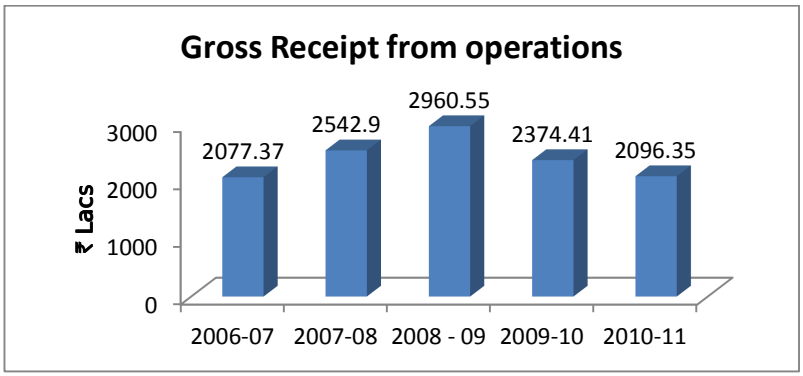
BALANCE SHEET **(₹ Lacs)**

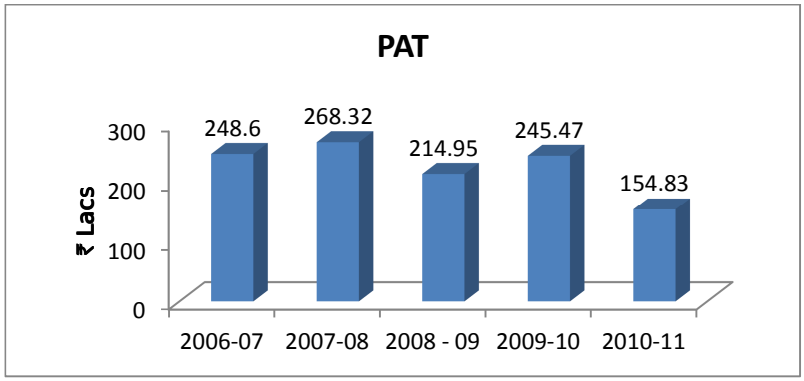
FINANCIAL YEAR	2006-07	2007-08	2008 - 09	2009-10	2010-11
COMPANY'S ASSETS					
Net Block- Fixed Asset-Own	953.98	1401.8	2156.95	2796.64	2650.15
Net Block- Fixed Assets-Leased	-------	-------	-------	-------	-------
Investments (Incl. JVs)	2.01	2.01	2.01	2.01	104.01
Net Current Assets	865.7	968.24	868.47	1096.08	1932.58
Miscellaneous Expenditure (to the extent not w/off)	-------	-------	-------	-------	-------
Total Assets	**1821.69**	**2372.05**	**3027.43**	**3894.73**	**4686.74**
COMPANY'S DUES					
Equity Share Capital	407.76	407.76	407.76	407.76	497.76
Reserves & Surplus	601.33	817.64	988.8	1195.01	2094.08
Application Money Pending Allotment	----	----	----	1167.16	----
Convertible Share Warrants	----	----	----	----	258.16
Secured Loans	812.6	1128.55	1615.71	1111.55	1760.47
Unsecured Loans	----	----	----	----	32.10
Deferred tax liability	----	18.1	15.16	13.25	44.17
TOTAL NET WORTH	**1009.09**	**1225.4**	**1396.56**	**2769.93**	**2849.99**
TOTAL LIABILITY	**1821.69**	**2372.05**	**3027.43**	**3894.73**	**4686.74**

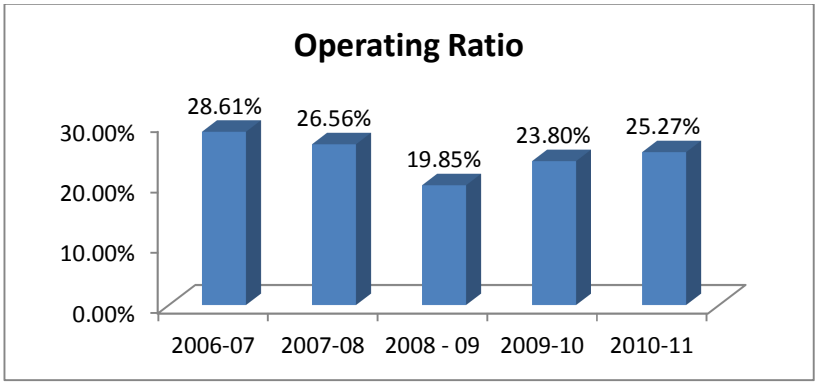
FINANCIAL RATIOS

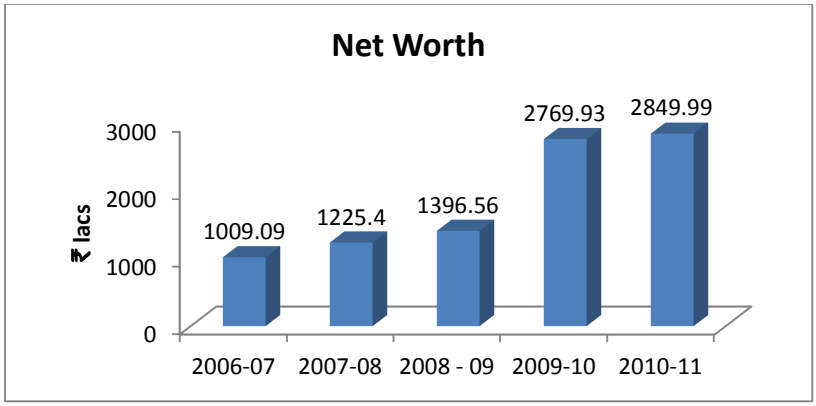
	2007	2008	2009	2010	2011
Operating Ratio	**28.61%**	**26.56%**	**19.85%**	**23.80%**	**25.27%**
PBDT Ratio	23.27%	22.03%	15.33%	19.04%	14.92%
PBT Ratio	20.76%	20.74%	13.87%	17.40%	11.28%
PAT Ratio	13.35%	11.84%	8.14%	11.40%	8.14%
Net Worth	1009.09	1225.40	1396.56	2769.93	2849.99
Return on Equity	38.32%	38.34%	26.23%	13.52%	7.52%
Interest Coverage Ratio	5.36	5.87	4.39	4.99	2.44
Debt Equity Ratio	1.99	2.77	3.96	2.73	3.54
EPS (Basic)	6.1	6.58	5.08	5.93	3.26
EPS (Diluted)	6.1	6.58	5.08	5.78	3.22

* Previous year's figures have been regrouped/ rearranged/ reclassified wherever required.


Gross Receipt from operations
₹ Lacs
3000
2000
1000
0
2077.37
2542.9
2960.55
2374.41
2096.35
2006-07
2007-08
2008 - 09
2009-10
2010-11


PAT
₹ Lacs
300
200
100
0
248.6
268.32
214.95
245.47
154.83
2006-07
2007-08
2008 - 09
2009-10
2010-11


Operating Ratio
30.00%
20.00%
10.00%
0.00%
28.61%
26.56%
19.85%
23.80%
25.27%
2006-07
2007-08
2008 - 09
2009-10
2010-11


Net Worth
₹ lacs
3000
2000
1000
0
1009.09
1225.4
1396.56
2769.93
2849.99
2006-07
2007-08
2008 - 09
2009-10
2010-11

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Twenty Third Annual General Meeting of the members of the Company will be held on Thursday, 29th September, 2011 at 11.00 A.M. at "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015, 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 2011, 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 ₹ 10/- each of the company.

3. To appoint a Director in place of Mr. Girish Dhabalia, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint M/s Chaturvedi & Shah, Chartered Accountants and M/s Naresh Patadia & Co., Chartered Accountants, as Joint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration and to pass the following resolutions thereof:

   "**RESOLVED THAT** M/s. Chaturvedi & Shah, Chartered Accountants, (Registration No. 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants (Registration No. 106936W), be and are hereby re-appointed as the Joint Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Board of Directors."

As Special Business:

5. To Re-appoint Mr. Manoj Shah as Managing Director of the Company.

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 198,269, 309,310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including

any statutory modifications or re-enactment(s) thereof for the time being in force and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, the consent of the Company be and is hereby accorded for the reappointment of Mr. Manoj B Shah as the Managing Director of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company with effect from 1st September, 2011 for a period of 5 (five) years on such remuneration as are set out in the Agreement to be entered into between the Company and Mr. Manoj B Shah, a draft whereof is placed before this Meeting and initialed by the Chairman, for the purpose of identification and which draft is hereby approved, with a power to the Remuneration Committee to vary the terms and conditions of appointment and to revise the remuneration from time to time subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits laid down under Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Manoj B Shah, the remuneration by way of salary, perquisites and other allowances not exceeding the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or reenactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Board of Director, be and is hereby also authorised to take such steps, actions and do things, deeds, matters, as may be required or are necessary so as to give effect to this Resolution".

6. To Re-appoint Mr. Pankaj Shah as Whole-time Director of the company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 198,269, 309,310, 311 read with Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 including any statutory modifications or re-enactment(s) thereof for the time being in force and all guidelines for managerial remuneration issued by the Central Government from time to time, and such other consents and approvals as may be required, the consent of the Company be and is hereby accorded for the reappointment of Mr. Pankaj B Shah as the Whole-time Director of the Company, with substantial powers of management to be exercised by him, subject to the superintendence, control and direction of the Board of Directors of the Company with effect from 1st September, 2011 for a period of 5 (five) years on such remuneration as are set out in the Agreement to be entered into between the

Company and Mr. Pankaj B Shah), a draft whereof is placed before this Meeting and initialed by the Chairman, for the purpose of identification and which draft is hereby approved, with a power to the Remuneration Committee to vary the terms and conditions of appointment and to revise the remuneration from time to time subject to the provisions of Section 198, 269, 309, 310, 311 and other applicable provisions of the Companies Act, 1956 and within the limits laid down under Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT where in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay to Mr. Pankaj B Shah, the remuneration by way of salary, perquisites and other allowances not exceeding the limits specified under Section II, Part II of Schedule XIII to the Companies Act, 1956 (including any statutory modifications or reenactment(s) thereof, for the time being in force), or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT Board of Director, be and is hereby also authorised to take such steps, actions and do things, deeds, matters, as may be required or are necessary so as to give effect to this Resolution".

7. To approve payment of remuneration to Directors computed as excess after finalization of Annual Results and Profits under the provisions of Section 309 (3) and 309 (5B) of the Companies Act, 1956.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of section 198, 269, 309 (3) and 309(5B) read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and subject to the approval of the Central Government the consent of the Company be and is hereby accorded to waive the recovery of a sum of ₹ 2,263,505/- (Rupees Twenty Two Lacs Sixty Three Thousand Five Hundred and Five only) being excess remuneration paid to Mr. Manoj Shah, Managing Director of the Company and Mr. Pankaj Shah, Whole Time Director of the company during the financial year 2010-11, in excess of the limits prescribed under section 309(3) of the Act.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds as may deem necessary to give effect to the above resolution."

Date: 13.08.2011

By Order of the Board of Directors

Sd/-

Manoj B. Shah

Managing Director

REGISTERED OFFICE:

"Artefact Towers", 54/3, Chhatrapati Nagar,

Wardha Road, Nagpur- 440 015