

— 28th — **Annual Report** **2015 - 2016**



GROWTH
PROSPERITY
PROGRESS



Artefact Projects Ltd.
Excellence in Infrastructure Services



Artefact Projects Ltd.

The Key Management Team Comprises of

Board of Directors



Mr. Pankaj B. Shah
Non- Executive Director



Mr. Siddharth P. Shah
Executive Director



Ms. Ankita M. Shah
Non - Executive Director



Mr. Sandeep M. Batta
Independent Director



Mr. Mohandas S. Adige
Independent Director



Mr. Deepak B. Mehta
Independent Director



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Board of Directors

Mr. Manoj B. Shah (Resigned w.e.f. 13th October 2015)
Mr. Siddharth P. Shah
Mr. Pankaj B. Shah
Ms. Ankita M. Shah
Mr. Sandeep M. Batta
Mr. Mohandas S. Adige (Resigned w.e.f. 30th May 2016)
Mr. Deepak B. Mehta
Mr. Ashok Mehta (Resigned w.e.f. 14th August 2015)

Managing Director
Executive Director
Non- Executive Director
Non- Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

Company Secretary & Compliance Officer

Ms. Shilpa A. Bhargava

Chief Financial Officer

Mr. Sanjay Khare (Appointed w.e.f. 09th February 2016)
Mr. Nilesh Jain (Resigned w.e.f. 13th October 2015)

Auditors

M/s. Chaturvedi & Shah, Mumbai
M/s. Naresh Patadia & Co., Nagpur

Registered Office

“Artefact Towers”, 54/3, Chhatrapati Square,
Wardha Road, Nagpur - 440 015,
Maharashtra, India
Tel: +91712-3025120
Fax: +91712-3025128
Email: artefactnagpur@gmail.com
shareholders@artefactprojects.com

Registrar & Share Transfer Agents

Link Intime (India) Private Limited
C-13 Pannalal Silk Mills Compound
LBS Road, Bhandup (West),
Mumbai – 400 078
Ph: +9122 2596838

Corporate Website

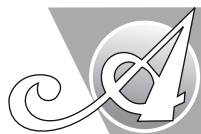
www.artefactprojects.com

Secretarial Auditor

M/s. Manish Ghia & Associates, Mumbai.

Bankers

Canara Bank



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5 YEAR'S PERFORMANCE AT A GLANCE

(₹ in Lacs)

| FINANCIAL YEAR | 2011-12* | 2012-13* | 2013-14* | 2014-2015* | 2015-2016* |
|---------------------------------------|----------------|----------------|----------------|----------------|-----------------|
| REVENUES : | | | | | |
| Net Receipts from operations | 2981.14 | 3,836.29 | 3632.62 | 4665.85 | 2980.57 |
| Other Income | 42.96 | 41.73 | 162.25 | 170.21 | 162.17 |
| Total Income | 3024.10 | 3878.02 | 3794.87 | 4836.06 | 3142.74 |
| EXPENDITURE: | | | | | |
| Operating and Administrative Expenses | 2350.21 | 3,157.20 | 3009.05 | 4039.94 | 3041.10 |
| Operating Profit | 673.89 | 720.82 | 785.82 | 796.12 | 101.64 |
| Finance Cost | 299.62 | 340.16 | 434.90 | 407.79 | 479.03 |
| PBDT | 374.27 | 380.66 | 350.92 | 388.33 | (377.39) |
| Depreciation | 116.16 | 113.56 | 97.26 | 96.29 | 91.66 |
| PBT | 258.11 | 267.09 | 253.66 | 292.03 | (469.05) |
| Tax | 74.77 | 84.53 | 134.10 | 102.11 | 43.32 |
| PAT | 183.34 | 182.56 | 119.56 | 189.92 | (512.37) |
| Dividend per share proposed (₹) | 0.75 | 0.75 | 0.75 | NIL | NIL |

*Consolidated figures, which includes figures of subsidiary viz. Artefact Infrastructure Ltd.

BALANCE SHEET

(₹ in Lacs)

| FINANCIAL YEAR | 2011-12** | 2012-13** | 2013-14** | 2014-15** | 2015-16** |
|---|----------------|-----------------|----------------|----------------|----------------|
| ASSETS | | | | | |
| Net Block- Fixed Asset-Own | 2640.43 | 2,586.47 | 2625.62 | 2520.97 | 2420.01 |
| Goodwill on Consolidation | 173.86 | 174.30 | 174.30 | 174.30 | 174.30 |
| Investments (Incl. JVs) | 135.89 | 624.24 | 621.16 | 320.20 | 533.35 |
| Long Term Loans and Advances | 410.51 | 1199.09 | 864.13 | 560.12 | 799.61 |
| Other Non Current Assets | ----- | 46.56 | ----- | ----- | ----- |
| Net Current Assets | 2882.43 | 2,198.28 | 2739.55 | 3094.63 | 2947.30 |
| Miscellaneous Expenditure (to the extent not w/off) | 0.56 | ----- | ----- | ---- | ---- |
| TOTAL ASSETS | 6243.68 | 6,828.93 | 7024.76 | 6670.22 | 6874.57 |
| LIABILITIES | | | | | |
| Equity Share Capital | 552.50 | 552.50 | 552.50 | 552.50 | 552.50 |
| Reserves & Surplus | 3037.84 | 3145.97 | 3243.64 | 3467.74 | 2976.80 |
| Application Money Pending Allotment | ----- | ----- | ----- | ----- | ----- |
| Convertible Share Warrants | ----- | ----- | ----- | ----- | ----- |
| Minority Interest | 31.02 | 0.68 | 0.91 | 0.56 | ----- |
| Secured Loans | 1951.18 | 2213.12 | 2212.15 | 2106.47 | 3114.23 |
| Unsecured Loans | 568.9 | 750.00 | 832.65 | 325.00 | ----- |
| Deferred tax liability | 102.24 | 122.67 | 175.59 | 212.22 | 222.89 |
| Other Long Term Liabilities | ----- | 38.95 | 2.17 | ----- | ----- |
| Long Term Provisions | ----- | 5.03 | 5.15 | 5.73 | 8.15 |
| TOTAL NET WORTH | 3589.78 | 3698.47 | 3796.13 | 4020.24 | 3529.30 |
| TOTAL LIABILITY | 6243.68 | 6828.93 | 7024.76 | 6670.22 | 6874.57 |



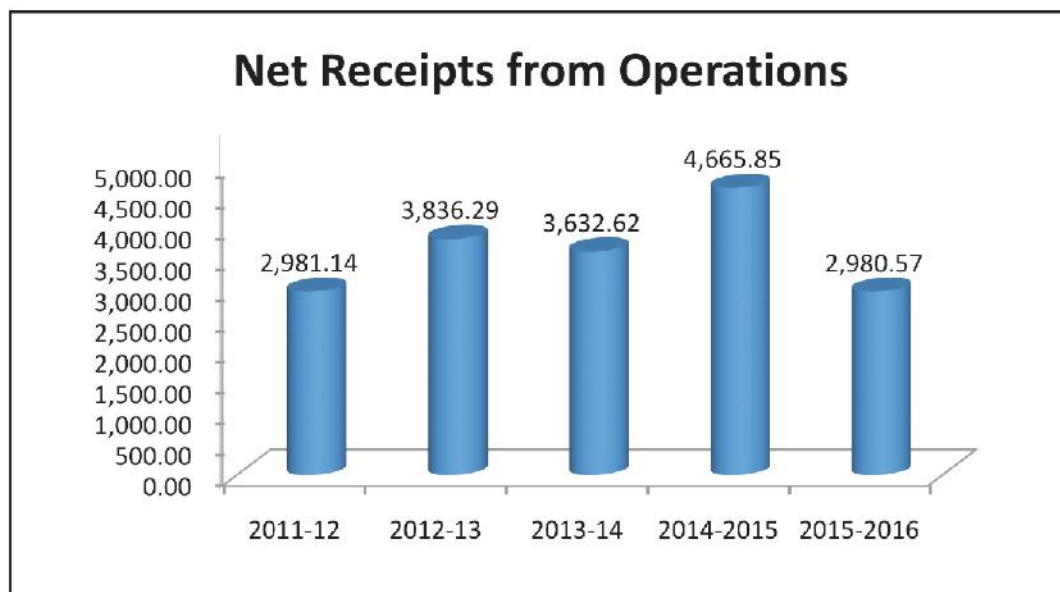
FINANCIAL RATIO

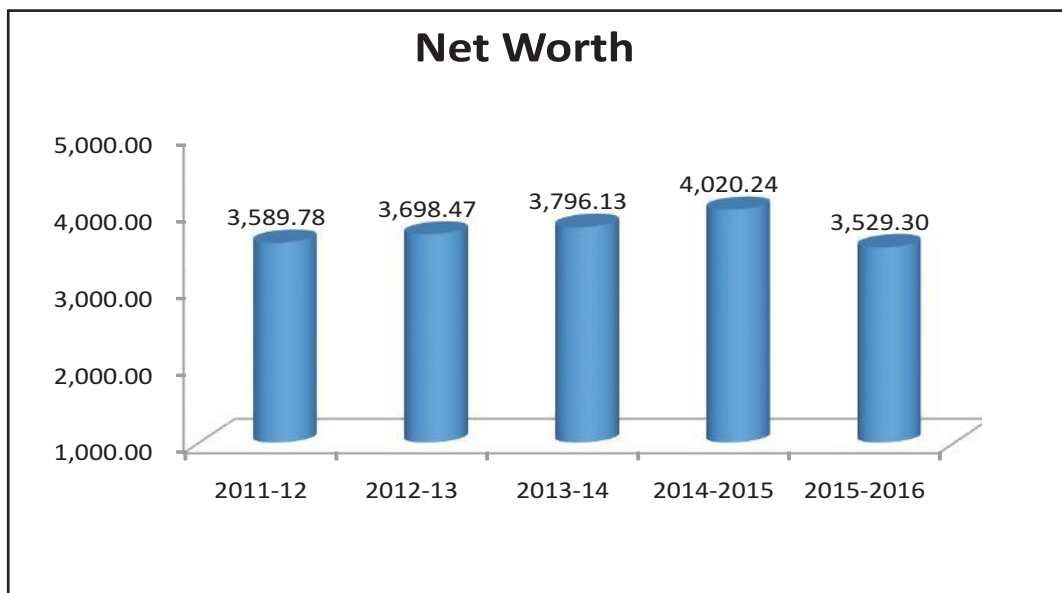
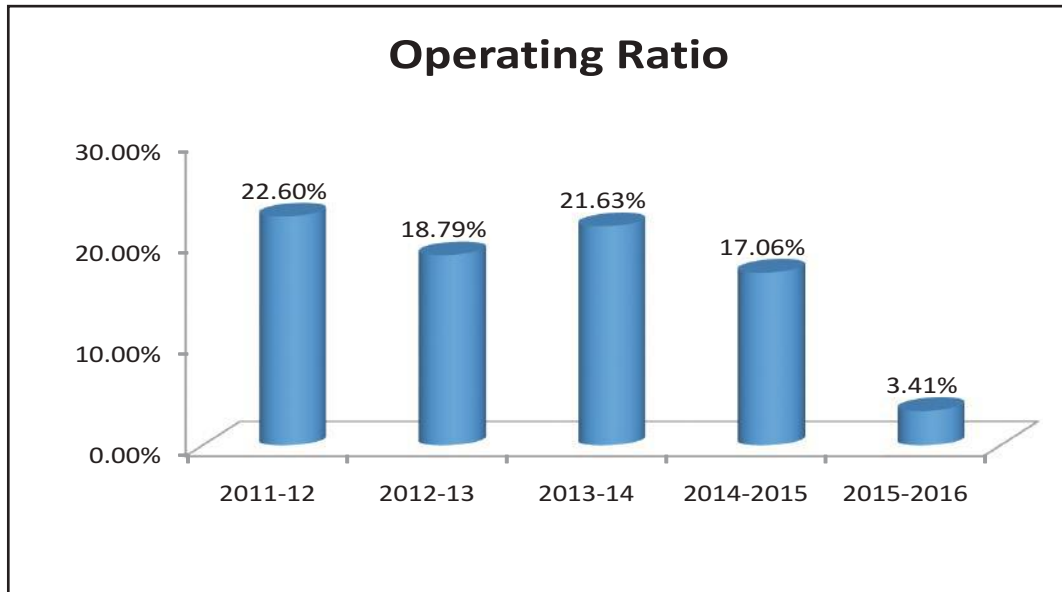
| | 2012** | 2013** | 2014** | 2015** | 2016** |
|---|---------|---------|---------|---------|----------|
| Operating Ratio | 22.60% | 18.79% | 21.63% | 17.06% | 3.41% |
| PBDT Ratio | 12.55% | 9.92% | 9.66% | 8.32% | (12.66)% |
| PBT Ratio | 8.66% | 6.96% | 6.98% | 6.26% | (15.74)% |
| PAT Ratio | 6.15% | 4.76% | 3.29% | 4.07% | (17.19)% |
| Net Worth | 3589.78 | 3698.47 | 3796.14 | 4020.24 | 3529.30 |
| Return on Equity (PBT/Equity) | 7.19% | 7.22% | 6.68% | 7.26% | (13.29)% |
| Interest Coverage Ratio | 2.25 | 2.12 | 1.81 | 1.95 | 0.21 |
| Debt Equity Ratio (Secured Loan/Equity) | 0.54 | 0.60 | 0.58 | 0.52 | 0.88 |
| EPS (Basic)* | 6.9 | 3.30 | 1.77 | 3.40 | (9.26) |
| EPS (Diluted)* | 6.9 | 3.30 | 1.77 | 3.40 | (9.26) |

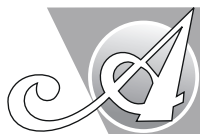
Previous year's figures have been regrouped/ rearranged/ reclassified wherever required.

* EPS is calculated after considering the effect of Goodwill and Minority Interest.

**Consolidated figures, which includes figures of subsidiary viz. Artefact Infrastructure Ltd.







NOTICE

Notice is hereby given that the 28th Annual General Meeting (AGM) of the members of the Company will be held on Thursday, 29th September, 2016 at 11.00 A.M. at “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) for the year ended 31st March, 2016 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Pankaj Shah (DIN: 00010504), Director who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (FRN: 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (FRN: 106936W) as approved by members at the 26th Annual General Meeting as Joint Statutory Auditors of the Company, to hold office from the conclusion of 26th Annual General Meeting until the conclusion of the 29th Annual General Meeting and to fix their remuneration for the financial year ending 2017.

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and the resolution passed by the members at the 26th Annual General Meeting held on 29th September, 2014, the appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (Firm Registration No. 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (Firm Registration No. 106936W) as Joint Statutory Auditors of the Company to hold office from the conclusion of 26th Annual General Meeting till the conclusion of 29th Annual General Meeting to be held for the financial year ending 31st March, 2017, be and is hereby ratified and the Board of Directors of the Company be and is hereby authorised to fix the Auditor's remuneration payable for the financial year ending 31st March, 2017 in consultation with the auditors.”

SPECIAL BUSINESS:

4. **RE-APPOINTMENT OF MR. SIDDHARTH P. SHAH (DIN: 05304116) AS AN EXECUTIVE DIRECTOR OF THE COMPANY.**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Articles of Association of the Company, Mr. Siddharth P. Shah (DIN: 05304116) be and is hereby re-appointed as an Executive Director of the Company for a further period of 3 years w.e.f. 6th July, 2016 on the following terms and conditions:

| Particulars | Amount per month (in ₹) |
|----------------------|-------------------------|
| Basic Salary | 90,000 |
| Conveyance Allowance | 5,000 |
| Medical Allowance | 2,000 |
| Telephone Allowances | 3,000 |
| Total | 1,00,000 |

RESOLVED FURTHER THAT in event of any loss or inadequacy of profits in any financial year during the tenure of Mr. Siddharth P. Shah as an Executive Director of the Company, the remuneration as approved by this resolution, shall be payable as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take all necessary actions and do all such acts, deeds, matters and things, as may be required from time to time to give effect to this resolution.”

**5. APPROVAL OF RELATED PARTY TRANSACTIONS:**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Meeting of Board and its Powers) Rules, 2014, consent of the members of the Company be and is hereby accorded to enter into related party transactions with the following parties for a period of 3 years w.e.f. 1st April, 2016 for the values as follows:

| Name of the Related Parties | Nature of transactions | Approximate Value of Transactions (₹ in Lacs) | | |
|--|---|--|---------|---------|
| | | 2016 - 2017 | 2017-18 | 2018-19 |
| Artefact Infrastructure Limited, Wholly Owned Subsidiary | Rendering of services under Project Management Consultancy Contract | ₹ 300 | ₹ 300 | ₹ 300 |
| Zaidun Leeng Sdn. Bhd. – Artefact Projects JV, Joint Venture | Loans and Advances | ₹ 400 | ₹ 400 | ₹ 300 |
| | Accepting of Loans | ₹ 300 | ₹ 300 | ₹ 300 |
| | Rendering of services under Project Management Consultancy Contract to JV | ₹ 350 | ₹ 350 | ₹ 350 |
| | Availment of Design & DPR Services from JV by Company | ₹ 500 | ₹ 600 | ₹ 600 |

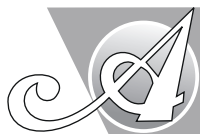
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be required to carry on the purpose of the aforesaid resolution”.

**By Order of the Board of Directors
For Artefact Projects Limited**

Place: Nagpur
Date: 13th August, 2016

Sd/-
Siddharth P. Shah
Executive Director
DIN: 05304116

Registered Office:
“Artefact Towers”, 54/3, Chhatrapati Nagar,
Wardha Road, Nagpur - 440 015
Maharashtra



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
Further, a person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto and forms part of this Notice.
3. Corporate members are requested to send duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 authorizing their representative to attend and vote at the Annual General Meeting (including through remote e-voting) or any adjournment thereof.
4. Members/Proxies are requested to bring duly filled Attendance Slip along with their copy of Annual Report at the time of the Meeting.
5. Pursuant to Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 26th September, 2016 to Thursday, 29th September, 2016 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be open for inspection by the members during the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately of any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants.
8. Members desirous of obtaining any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company at least seven days in advance of the meeting to enable the Company keep the information readily available at the meeting.
9. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
10. Members having multiple folios in identical names or in joint names in the same order are requested to send the share certificate(s) to the Company's Registrar and Share Transfer Agents (RTA), M/s. Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s). Members holding shares in physical form can submit their PAN details to the RTA of the Company.
12. Non Resident Indian members are requested to inform the Company's RTA immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, if not furnished earlier.
13. Pursuant to provisions of Section 205C of the Companies Act, 1956, the Company has transferred the unclaimed or unpaid dividends for the financial year 2007-08 on due date, to the Investors Education & Protection Fund established by the Central Government and no claims shall lie against the said fund or the Company for the amount of unclaimed and unpaid dividend so