



Artefact Projects Ltd.
Excellence in Infrastructure Services

YEARS OF **30** **SERVICE & COMMITMENT**

**GROWTH
PROSPERITY
PROGRESS**

**ANNUAL REPORT
2017-2018**

Board of Directors



Mr. Pankaj B. Shah
Non- Executive Director



Mr. Siddharth P. Shah
Executive Director



Mrs. Ankita S. Shah
Executive Director



Mr. Sandeep M. Batta
Independent Director



Mr. Sudhir P. Gupta
Independent Director

Key Managerial Personnel & Leadership Team



Mr. Ashok Karwa
Chief Financial Officer



Ms. Shilpa Bhargava
Company Secretary & Compliance Officer



Mr. Sudhir Kumar Bhargava
Chief Operating Officer/ Advisor



Mr. Mohd Arif Zafar
Senior Vice President - Highway Projects



Mr. Prem Chand Gupta
Vice President - Delhi Region Project Director



Mr. Amrendra Jaltare
Vice President - Structural



Mr. N. Sreenivas Murthy
Team Leader & Senior Resident Engineer



Mr. Santosh Akotkar
General Manager - Quantity Survey



Mr. Prateek Thakkar
Senior Manager - Environmental



Mr. Pramod Wadibhasme
Manager Highway



Mr. Subhash Kolhekar
Manager - Electrical Engineer



Mr. Sameer Rokde
Manager Highway



Mr. Chandrashekar Baseshankar
Senior Accounts Manager



30TH ANNUAL REPORT 2017–18

Board of Directors

Mr. Pankaj B. Shah	Non- Executive Director
Mr. Siddharth P. Shah	Executive Director
Mrs. Ankita S. Shah	Executive Director
Mr. Sandeep M. Batta	Independent Director
Mr. Deepak B. Mehta (Resigned w.e.f. 14 th December, 2017)	Independent Director
Mr. Sudhir P. Gupta	Independent Director

Company Secretary & Compliance Officer

Ms. Shilpa A. Bhargava

Chief Financial Officer

Mr. Sanjay Khare (Resigned w.e.f. 30th April, 2018)
Mr. Ashok Karwa (Appointed w.e.f. 14th August, 2018)

Statutory Auditors

M/s. Banthia Damani & Associates.,
Chartered Accountants, Nagpur

Internal Auditors

M/s. P.T. Chhabria & Co.,
Chartered Accountants, Nagpur

Secretarial Auditor

M/s. Manish Ghia & Associates, Mumbai.

Bankers

Canara Bank

Registered Office

Block No. 107, 4th Floor, “Artefact Towers”,
54/3, Chhatrapati Square, Wardha Road,
Nagpur -440 015, Maharashtra, India
Tel: +91712-7197100
Fax: +91712-7197192
Email: artefactnagpur@gmail.com
shareholders@artefactprojects.com

Registrar & Share Transfer Agents

Link Intime (India) Private Limited
C-101, 247 Park,
LBS Road, Vikhroli West,
Mumbai – 400 083
Ph: +9122 49186000

Corporate Website

www.artefactprojects.com



CONTENTS

Highlights at a Glance	Notice	Letter from Director
3	5	16
Director's Report	Management Discussion & Analysis Report	Corporate Governance Report
17	42	45
Shareholders Reference	Auditors Report	Financial Statements
65	69	79
Statement of Subsidiary & Associates	Attendance Slip	Proxy Form
112	113	115

(₹ in Lacs)

5 YEAR'S PERFORMANCE AT A GLANCE

FINANCIAL YEAR	2013-14*	2014-15*	2015-16*	2016-17*#	2017-18*#
REVENUES :					
Net Receipts from operations	2,033.94	1,986.71	1,598.42	2,301.34	2,155.81
Other Income	26.32	115.67	134.80	231.72	254.13
Total Income	2,060.26	2,102.38	1733.22	2,533.06	2,409.94
EXPENDITURE:					
Operating and Administrative Expenses	1,562.80	1,568.92	1,283.09	2,031.27	2,169.18
Operating Profit	497.46	533.46	450.13	501.79	240.76
Finance Cost	336.97	307.94	323.55	369.27	445.02
PBDT	160.49	225.52	126.58	132.52	(204.26)
Depreciation	86.69	84.89	80.56	80.45	81.62
PBT	73.80	140.62	46.02	52.07	(285.88)
Tax	64.14	50.48	45.05	31.66	24.48
PAT	9.66	90.14	0.97	20.42	(310.36)
Other Comprehensive Income (Net of Tax)	-	-	-	(0.88)	1.03
Total Comprehensive Income for the period	-	-	-	19.54	(309.33)
Dividend per share proposed (₹)	NIL	NIL	NIL	NIL	NIL

*Standalone figures.

Figures in FY 2016-17 and 2017-18 have been restated because of requirement of IND AS.

BALANCE SHEET

(₹ in Lacs)

FINANCIAL YEAR	2013-14*	2014-15*	2015-16*	2016-17*#	2017-18*#
ASSETS					
Net Block- Fixed Asset-Own	2,464.87	2,377.19	2,287.35	2,227.60	2,185.28
Investments (Incl. JVs)	1,040.00	636.63	490.00	1,090.00	1,290.00
Long Term Loans and Advances	789.91	538.87	747.30	-----	-----
Other Non Current Assets	-----	-----	-----	528.54	557.93
Net Current Assets	1,164.27	1,703.13	2,083.60	699.24	133.80
Miscellaneous Expenditure (to the extent not w/off)	-----	-----	-----	-----	-----
TOTAL ASSETS	5,459.05	5,255.82	5,608.25	4,545.38	4,198.66
LIABILITIES					
Equity Share Capital	552.50	552.50	552.50	552.50	552.50
Reserves & Surplus	2,846.13	2,972.45	2,973.42	2,992.95	2,683.35
Application Money Pending Allotment	-----	-----	-----	-----	-----
Convertible Share Warrants	-----	-----	-----	-----	-----
Minority Interest	-----	-----	-----	-----	-----
Secured Loans	1,798.45	1,516.46	1,851.29	746.89	683.67
Unsecured Loans	82.65	-----	-----	-----	-----
Deferred tax liability	172.00	208.68	222.89	241.96	265.10
Other Long Term Liabilities	2.17	-----	-----	-----	-----
Long Term Provisions	5.15	5.73	8.15	11.08	13.77
TOTAL NET WORTH	3,398.63	3,524.95	3,525.92	3,545.45	3,236.12
TOTAL LIABILITY	5,459.05	5,255.82	5,608.25	4,545.38	4,198.66

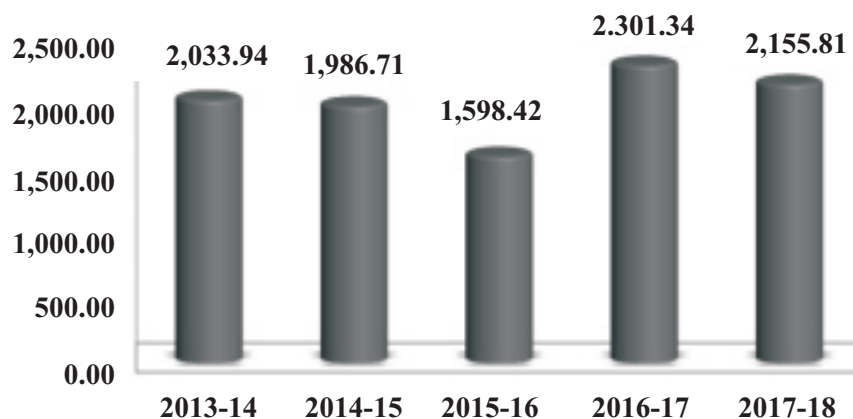
FINANCIAL RATIO

	2014	2015	2016	2017	2018
Operating Ratio	24.45%	26.85%	28.16%	21.76%	11.17%
PBIDT Ratio	24.14%	25.37%	25.97%	19.77%	-9.47%
PBT Ratio	3.62%	7.08%	2.88%	2.22%	-13.26%
PAT Ratio	0.47%	4.53%	0.06%	0.83%	-14.39%
Net Worth	3,398.63	3,524.95	3,525.92	3,547.17	3,235.85
Return on Equity (PBT/Equity)	2.17%	3.99%	1.30%	1.44%	-8.83%
Interest Coverage Ratio	1.48	1.73	1.40	1.35	0.54
Debt Equity Ratio (Secured Loan/Equity)	0.53	0.43	0.52	0.47	0.55
EPS (Basic)*	0.17	1.63	0.02	0.35	(5.60)
EPS (Diluted)*	0.17	1.63	0.02	0.35	(5.60)

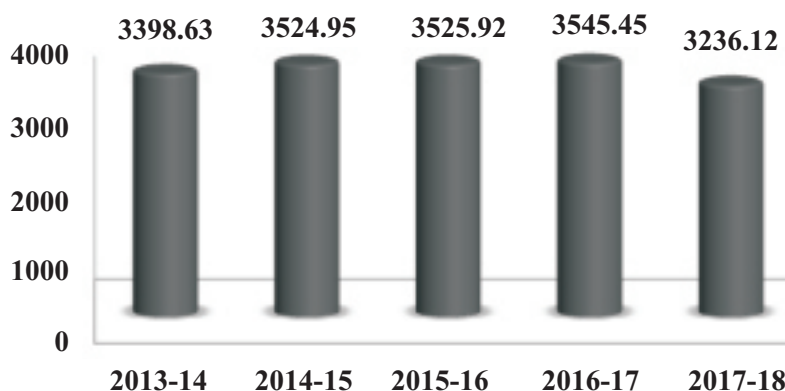
Previous year's figures have been regrouped/ rearranged/ reclassified wherever required.

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

Net Receipts from Operations



Net Worth



NOTICE

Notice is hereby given that the 30th (Thirtieth) Annual General Meeting (AGM) of the members of the Company will be held on Saturday, 29th September, 2018 at the registered office of the Company at 11.00 A.M. at Block No. 107, 4th Floor, “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 of the Company for the year ended 31st March, 2018 together with the Reports of the Board of Directors’ and Auditors’ thereon;
2. To appoint a Director in place of Mr. Siddharth Shah (DIN: 05304116), Executive Director who retires by rotation and being eligible, offers himself for re-appointment;
3. To ratify the appointment of M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (having FRN: 126132W) as approved by members at the 29th Annual General Meeting as Statutory Auditor of the Company, to hold office from the conclusion of 29th Annual General Meeting until the conclusion of the 34th Annual General Meeting and to fix their remuneration for the remaining term i.e. from 2018-19 upto 2021-22.

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

“RESOLVED THAT pursuant to provisions of Section 139 and 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 and pursuant to the resolution passed by the members at the 29th Annual General Meeting held on 30th June, 2017, the appointment of M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (having Firm Registration No. 126132W) as Statutory Auditor of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting to be held for the financial year ending 31st March, 2022, 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 years from 2018-19 upto 2021-22 in consultation with the auditor.

RESOLVED FURTHER THAT the resolution passed in the 29th Annual General Meeting held on 30th June, 2017 for appointment of M/s. Banthia Damani & Associates, Chartered Accountants as auditors of the Company requiring the ratification of their appointment at every subsequent Annual General Meetings till 34th Annual General Meeting, shall stand modified to the extent that no such ratification/confirmation shall henceforth be necessary for their remainder period of appointment.”

SPECIAL BUSINESS:

4. **APPOINTMENT OF MR. SUDHIR GUPTA (DIN: 07780511) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Sudhir Gupta (DIN: 07780511), who was appointed as an Additional (Independent) Director of the Company w.e.f. 31st March, 2018 pursuant to the provisions of Section 161 of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company, and holds office upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 30th March, 2023 who shall not be liable to retire by rotation.

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

5. RE-APPOINTMENT OF MR. SANDEEP BATTI (DIN: 02220509) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Sandeep Batti (DIN: 02220509), Independent Director of the Company, whose current term of office expires on 31st March, 2019 and who has submitted a declaration that he meets criteria for independence as provided in Section 149(6) of the Act and being eligible for re-appointment and in respect of whom the Company has received a notice in writing from member under section 160 (1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company with effect from 1st April, 2019 to hold office for a term of 5 (five) consecutive years upto 31st March, 2024 and who shall not be liable to retire by rotation.

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

6. APPROVAL UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013.

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

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or be duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution) to sell, lease or otherwise dispose of the Company's immovable property/ies as the case may be, encompassing part of property of Artefact Towers situated at 54/3, Chhatrapati Square, Wardha Road, Nagpur and ground and first floor situated at Bhiwapurkar Chambers, Dhantoli, Nagpur admeasuring approx. 2686.91 sq.ft. to any person(s) and/or entity (ies) as may be determined by the Board, at such time(s) and for such consideration which will be higher than the Book Value of the property/properties or any part thereof and shall not be lower than the market value as per the Government Ready Reckoner rates at the time of such disposal and on such terms and conditions as the Board may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be necessary, without further referring the matter to the members of the Company, including finalizing the suitable lessee(s)/purchaser(s)/ assignee(s) as the case may be, of the assets or property, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale and irrevocable powers of attorney etc. and such other document(s) as may be necessary or expedient in its own discretion and in the best interest of the Company, including the power to delegate, to give effect to this resolution.



RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be required to give effect to the above resolution from time to time.”

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

Place: Nagpur
Date: 14th August, 2018

Registered Office:
Block No. 107, 4th Floor,
"Artefact Towers",
54/3, Chhatrapati Square,
Wardha Road, Nagpur - 440 015
Maharashtra

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