



Athena Constructions Limited

7th Annual Report
2016-17



Board of Directors

Mr. Ravi Rathi
Mr. Santosh Nagar
Mr. Himanshu Maheswari
Mrs. Rani Jha

STATUTORY AUDITORS

M/s. P.C. Surana & Co.
Chartered Accountants
Mumbai

SECRETARIALS AUDITORS

M/s. Ashok Patel & Associates
Company Secretaries
Mumbai

BANKER

HDFC Bank Ltd. Mumbai

CORPORATE IDENTIFICATION NUMBER (CIN)

L45200MH2011PLC215562

REGISTERED ADDRESS

203, "A" Wing, Shyam Kamal,
Tejpal Road,
Opp. Railway Station,
Vile Parle (East),
Mumbai - 400 057

SHARE TRANSFER AGENT

PURVA SHAREGISTRY (INDIA) PVT. LTD.
Unit no. 9, Shiv Shakti Ind. Estt.
J .R. Boricha Marg,
Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai 400 011
Tel : 022-2301 8261
Email : purvashr@gmail.com

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Annual General Meeting of the Company will be held on Friday, the 29th September, 2017 at 11.00 P.M. or soon after the conclusion of the Annual General Meeting of Athena Constructions Limited convened on the same day, whichever is later at 203, "A" Wing, Shyam Kamal, Tejpal Road, Opp. Railway Station, Vile Parle (East), Mumbai - 400 057

DIRECTOR'S REPORT**To THE MEMBERS,**

The Board of Directors of Your Company take pleasure in presenting the Seventh Annual Report on the operational and business performance, along with the Audited Financial Statements for the financial year ended March 31, 2017.

KEY FINANCIALS

The Company's Financial Performance for the financial year ended March 31, 2017, is summarized below:
(Rs. in Lakhs)

| Particulars | Year Ended | |
|--|----------------|----------------|
| | March 31, 2017 | March 31, 2016 |
| Income From Operations | 57.00 | 52.53 |
| Profit Before Tax | 5.17 | 3.45 |
| Less: Provision for Taxation | 3.52 | 1.10 |
| Profit after Tax | 1.64 | 2.35 |
| Add: Balance b/d from Previous Year | 10.14 | 7.79 |
| Less: Capitalization of Reserve | - | - |
| Balance carried over to Balance Sheet | 11.78 | 10.14 |

RESULT OF OPERATIONS AND STATE OF AFFAIRS

The Year gone by has been a good year with company closing on a profitable note. The total Income of the company for the year under review is Rs. 57.00 Lacs. The Profit before Tax stood at Rs. 5.17 Lacs and Profit After Tax stood at Rs. 1.64 Lacs. Receipt of Contractual Receipt has continued to yield good results. Your Directors are glad to inform you that financial year 2016-2017 has been a successful year for the company.

TRANSFER TO RESERVE IN TERMS OF SECTION 134(3) OF THE COMPANIES ACT, 2013

For the financial year ended on March 31, 2017 the Company has not transferred any amount to Reserve.

DIVIDEND

Your directors regret to inform you that we do not recommend any dividend for the year to strengthen the position of the company.

UNCLAIMED DIVIDEND

There is no balance lying in unpaid equity dividend account.

SUBSIDIARY COMPANY

The Company does not have any subsidiary.

SHARE CAPITAL**(A) Authorized Share Capital**

The Company's Authorized Capital stands Rs. 8,00,00,000 (divided into 80,00,000 Equity Share of Rs. 10/- each). During the Year there has been no change in the authorized share capital.

(B) Issued and Paid-up Share Capital**(1) Equity**

During the Year under review, the Company has not issued further equity share capital. As at March 31, 2017, the paid-up equity share capital of the company was Rs.7,50,00,000 divided into 75,00,000 equity shares of Rs.10/- each.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34(2) (e) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Management Discussion and Analysis of the financial condition and result of operation of the Company under review, is annexed and forms an integral part of the Directors' Report.

DIRECTORS AND KEY MANAGERIAL PERSONNELS

On the basis of the recommendation of Nomination and Remuneration Committee, the Board of Directors have appointed Ms. Rani Ajay Jha [DIN: 07253259], as an Additional Director, in the category of Independent Woman Director of the Company. Ms. Rani Ajay Jha holds office up to the date of the ensuing annual general meeting. The company has received a notice from the members under section 160 of the companies Act, 2013, along with requisite deposit proposing his candidature for the office of the Independent Director to be appointed as such, at the ensuing general meeting. Necessary resolution is being proposed in the notice of the ensuing Annual General Meeting in respect of the appointment of Ms. Rani Ajay Jha as an Independent Woman Director of the Company for a term of 5 Consecutive Years.

In accordance with provision of Section 152 of the Companies Act, 2013 and Articles of Association, none of the Directors are liable to retire by rotation in the ensuing general meeting.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and the Provision of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

None of the Directors of Your Company is related to each other. Brief Resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of other listed companies in which they hold Directorship along with their Membership/Chairmanship of committees of the Board as stipulated under Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015, are provided in the annexure to the Notice of the Sixth Annual General Meeting being sent to the members along with the Annual Report.

Based on the confirmation received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 of the Companies Act, 2013.

During the Year under review, no stock options were issued to the Directors of the Company.

EVALUATION OF BOARD:

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee and Shareholder Grievance Committee. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

PUBLIC DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet or renewed any fixed deposits during the year.

LOANS, GUARANTEES AND INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 (the Act) are given in the notes to the Financial Statements.

MEETINGS OF THE BOARD

Your Company holds at least four Board meeting in a year, one in each quarter, inter-alia, to review the financial results of the company. The company also holds additional board meeting to address its specific requirements as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and numbered and noted at the subsequent Board meeting. Annual calendar of the meeting of the board are finalized well before the beginning of the financial year after seeking concurrence of all the Directors.

During the financial year 2016-17, Four (4) Board Meetings were convened and held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Board Committees

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and Provisions of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. It coordinated with the Statutory Auditors, Internal Auditors and other key personnel of the Company and has rendered guidance in the areas of internal audit and control, finance and accounts. All the recommendations made by the Audit Committee were accepted by the Board. Four meetings of the Audit Committee were held during the year.

The Nomination and Remuneration Committee recommends to the Board the suitability of candidates for appointment as Key Managerial Personnel, Directors and the remuneration packages payable to them and other employees. The Nomination and Remuneration Committee met Three times during the year.

The Audit Committee and other Board Committee meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

PARTICUALRS OF EMPLOYEES:

There was no employee drawing remuneration in excess of limits prescribed under Section 197 (12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The disclosure pertaining to remuneration as required under Section 197 (12) of the Companies Act, 2013 read with rules 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of Directors report and is provided in the Annual Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered address of the company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their email addresses and is available on the company's website.

DIRECTORS' RESPONSIBILITY STATEMENT:

You Directors would like to inform that the audited financial statements for the year ended March 31, 2017 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and result of operations. These financial statements are audited by M/s. P. C. Surana & Co., Chartered Accountants, and statutory auditors of the Company.

Pursuant to the provisions of section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

- (i) in the preparation of the accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures; if any;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2017 and Profit of the Company for the year under review;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the accounts for the financial year ended March 31, 2017 on a 'going concern' basis.
- (v) the director have laid down internal financial control to be followed by the company and the such internal controls are adequate and are operating effectively; and
- (vi) the Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

AUDITORS:

Statutory Auditor

In the Annual General Meeting held on September 30, 2016, M/s. P. C. Surana & Co., Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of that AGM until the conclusion of the Eleventh Annual General Meeting to be held thereafter (subject to ratification of the appointment by the Members at every AGM held after that AGM).

In terms of the first proviso to Section 139 of the Act read with the Rule 3(7) of Companies (Audit and Auditors) Rules, 2014, the appointment of the auditor shall be subject to ratification by the Members at every annual general meeting till the expiry of the term of the Auditor. Accordingly, the appointment of M/s. P. C. Surana & Co., Chartered Accountants, Mumbai, as the Statutory Auditors of the Company, is placed for ratification by the Members.

Comments on Auditor's Report

The notes referred to in the Auditors report are self-explanatory and as such they do not call for any further explanation.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed Mr. Ashok Chaggaanbhai Patel Proprietor of M/s. Ashok Patel & Associates, Practicing Company Secretary, Mumbai, to undertake the secretarial audit of the company for the financial year 2017-18.

The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed to this report. The said report does not contain any qualification, reservation and adverse remark.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and that the provisions of Section 188 of the Companies Act 2013 are not attracted.

Thus, disclosure in form AOC-2 is not required. Further, there are no materially significant related party transactions made by the Company with Promoters and Directors or other designated persons which may have a potential conflict with the interest of the Company at large.

EXTRACT OF ANNUAL RETURN

Pursuant to section 134(3) and section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules 2014, the extract of the Annual Return as at March 31, 2016, in the prescribed form MGT-9, forms part of this report and is annexed to this report.

RISK MANAGEMENT POLICY

The Company has laid down procedure to inform the Board about risk assessment & minimization procedure. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk management and mitigation measures.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your company has internal financial controls which are adequate and were operating effectively. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's Policies, the preventions and detections of frauds & errors, the accuracy and completeness of accounting records and timely preparation of reliable financial information.

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year the Company has adopted a policy for prevention of Sexual harassment of women at workplace and has not received any complaint of harassment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO:

During the year under review, the Company has not carried out any manufacturing activity and hence the Directors have nothing to report under Section 134 (3) (m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with reference to Conservation of Energy and Technology Absorption. There was no foreign exchange earnings and outgo during the year under review.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Disclosure as per Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

In Compliance with the provision of Section 177(9) the Board of Directors of the Company has framed the "Whistle Blower Policy" as the vigil mechanism for Directors and employees of the Company. The Whistle Blower is disclosed on the website of the Company.

APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the Company.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed displayed by all executive, officer and staff, resulting in successful performance of the Company.

For and on behalf of the Board of Directors

Ravikant Rathi
Managing Director
 DIN: 00862459

Santosh Nagar
Director
 DIN: 02800839

Place : Mumbai
 Date : May 26, 2017

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

Introduction

Real Estate business was one of the key drivers of growth before we witnessed the present economic slowdown. Now with companies trying to consolidate their positions and finding effective means of sustaining growth. The management of real estate has merged as one of the key challenges for the corporate sector. The economic slowdown in the market have resulted in increasing pressures on the margins of companies operating out of India, which in turn has led to the companies looking to cut cost through reducing expenditure on the real estate segment.

The real estate sector in India assumed greater prominence with the liberalization of the economy, as the consequent increase in business opportunities and labour migration lead to rising demand for commercial and housing space. At present, the real estate and construction sectors are playing a crucial role in the overall development of India's core infrastructure.

Industry Structure & Development

Indian infrastructure and construction industry has grown exponentially, in part due to massive government impetus and in part due to high market sentiments. The country, which has initially targeted the low-hanging fruits, is now poised to take up more complex and technologically intense projects. The focus has moved from cost efficiency to time and competence. This has created excellent opportunities for foreign construction companies to conduct business in India. The Indian regulatory environment is expected to further boost the construction industry in order to provide the basic physical infrastructure for the nation.

The Indian economy has witnessed considerable progress in the past few decades. Most of the infrastructure development sectors moved forward, but not to the required extent of increasing growth rate up to the tune of 8 to 10 per cent. The Union Government has underlined the requirements of the construction industry.

With the present emphasis on creating physical infrastructure, massive investment is planned in this sector. The Planning Commission has estimated that investment requirement in infrastructure to the tune of about Rs.14,500 billion or US\$320 billion during the 11th Five Year Plan period.

This is a requirement of an immense magnitude. Budgetary sources cannot raise this much resources. Public Private Partnerships (PPP) approach is best suited for finding the resources. Better construction management is required for optimizing resources and maximizing productivity and efficiency.

Opportunities and Threats

A. Opportunity :

Real Estate sector is not only the biggest contributor to Gross Domestic Product ('GDP') of the country but is also the fifth largest sector in terms of Foreign Direct Investment ('FDI') inflows in the country. Real Estate Sector in India Contributes to 6.20% of the nation's GDP, and this number is projected to increase to 7.1% in the next five (5) years.

Further, Non-resident Indians and foreign citizens of Indian origin are now allowed to purchase property in India for residential or commercial purposes. Also, Proposed Real Estate (Regulation and Development) Bill to enhance transparency and accountability in real estate transactions, restoring confidence of the public in the industry.

Besides infrastructure, the construction industry in India has seen sustained demand from the Industrial Sector and Real Estate Sector. Demand from Real Estate has currently plateaued after unprecedented boom in the last decade. The real estate developers have traditionally employed contractors for construction of projects. However, several large contractors are now transitioning towards becoming real estate developers.

The Indian Construction sector offers quite an attractive proposition for foreign developers. The Indian Government has decided to allow 100% Foreign Direct Investment (FDI) in the real estate industry, thereby stimulating construction activities throughout the country. Further, the boom in demand for private sector housing and commercial building provide an opportunity to tap into a lot of the nascent demand in this sector.

B. Threats :

The real estate market in India has been exposed to much changes in government regulations, especially in recent years. An example is the upcoming Real Estate (Regulation and Development) Bill 2012, which may dictate that developers have to compensate land owners with twice the value of the land in urban areas and four times the value in rural areas. Developers will also not be able to begin executing a housing project until it had acquired all the necessary clearances and submitted them as proof before a regulatory authority. The bill also restricts developers from collecting any proceeds from buyers until permission to start on the project had been obtained. Such regulations cause uncertainty, cost overruns and delays in the execution of projects, and hence affect the cash flow of the company.

Construction majors are currently experiencing liquidity constraints due to tightening funding norms being employed by institutional financiers. The industry is also facing squeezing margins due to increasing commodity prices. Recent trends show that this is primarily due to increase in international prices and are thus unlikely to go down in the near future. Nevertheless, industries based in India producing materials such as cement, steel and glass have shown strong growth of around 10% per annum, indicating sustained demand. Further, availability of skilled labour at key locations is also becoming increasingly challenging for the construction majors.