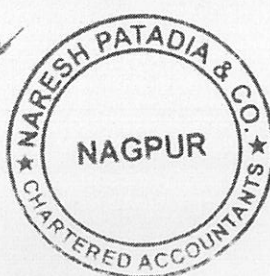


**FORM A**  
**(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company	<b>ARTEFACT PROJECTS LIMITED</b>
2.	Annual Consolidated Financial Statements for the year ended	March 31, 2014
3.	Type of Audit observation	<p><b>Un-qualified</b></p> <p><b>Emphasis of Matter:</b></p> <p>Following Emphasis of Matter has been given in the Independent Auditors' Report dated 29<sup>th</sup> May, 2014 to the Board of Directors of Artefact Projects Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014. (Refer Page No. 75 of Annual Report 2013-14.)</p> <p>Without qualifying our opinion we draw your attention to the :</p> <p>Note no. 4.05 regarding non provision of redemption premium on optionally convertible debentures for the reasons explained therein.</p> <p>(For related note refer Page no. 82 of Annual Report 2013-14)</p> <p>Also Refer Form B for Qualified Opinion on Consolidated Financial Statements.</p>
4.	Frequency of observation	This Matter was included in the



*M. Shah*

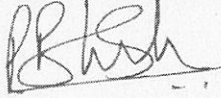


*R. Patadia*

*Sharma*

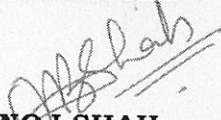
		Independent Auditors' report since year ended 31 <sup>st</sup> March 2013.
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**For and on behalf of Board of Directors**



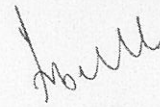
**PANKAJ SHAH**

(Whole Time Director)



**MANOJ SHAH**

(Managing Director )



**SANDEEP BATTA**

(Audit Committee Chairman)

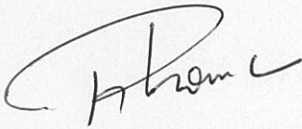
**AUDITORS**

**Refer our Audit Report dated May 29, 2014 on the Consolidated Financial Statements of the Company.**

**For Chaturvedi & Shah**

Chartered Accountants

Firm Reg. No - 101720 W



**R Korla**

Partner

Membership No - 35629



**For Naresh Patadia & Co.**

Chartered Accountants

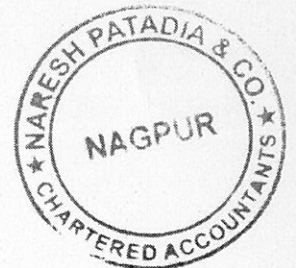
Firm Reg. No - 106936 W



**Naresh Patadia**

Proprietor

Membership No - 35620



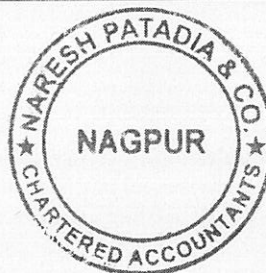
Place: Mumbai

Date: 6<sup>th</sup> September 2014

## FORM B

(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Artefact Projects Limited
2.	Annual Standalone Financial Statements for the year ended	March 31, 2014
3.	Type of Audit Qualification	<p>Qualification under paragraph "Basis of Qualification" of the Independent Auditors' Report dated 29<sup>th</sup> May, 2014 to the Members of Artefact Projects Limited on the Standalone Financial Statements for the year ended 31<sup>st</sup> March 2014 (Refer Page No. 46 of Annual Report 2013-14.)</p> <p><i>We refer to Note.15 of the financial statements wherein the Management of the Company has considered Trade Receivables amounting to Rs. 119,869,109 as good and fully recoverable. In the absence of balance confirmations/reconciliations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.</i></p>
4.	Frequency of Qualification	Appeared first time in the financial year ended 31 <sup>st</sup> March 2014.
5.	Draw attention to the relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Note No. 15 on Standalone Financial Statements (Refer Page No. 63 of Annual Report 2013-14)</p> <p>15.01 The amount outstanding for a period exceeding six months mainly include amount receivable from government</p>



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departments predominantly from NHAI, MMRDA , AAI etc and are in relation to execution of contract services, deployment of additional personnel, price escalations etc. The services have been provided on express written orders and procedural delays in respect of reconciliation of accounts & disbursement of funds at government departments are normal.. Accordingly, management is of the view that all these amounts are good for recovery and no provision for doubtful debts is required.

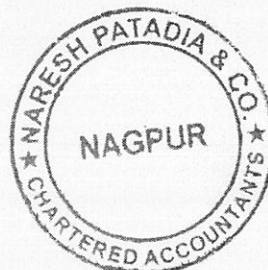
15.02 The amount outstanding classified as for a period of more than 6 months includes Rs. 60,108,004/-(Previous Year Rs. 48,364,667 ) in respect of consultancy contracts for which the final bills are yet to be submitted and are outstanding on running account as per the contract of consultancy.

15.03 In respect of Airport Authority of India (AAI), one of the client of the company, the company's invoice has not been accepted to an extent of Rs. 85.11 lacs citing certain minutes of their internal meeting held prior to contract execution as reason for rejection. According to the Management of the company, all the invoices raised by them is as per the contract entered with AAI for Architectural Design for Trivandrum International Airport. AAI has some interpretation clarifications in the terms of contract which the company feels are totally unsustainable. Accordingly company has sought legal clarification and filed an appeal for arbitration. The management is of the view that the action of AAI is ultra-virus and devoid of any contractual logic as well as the executed contract and



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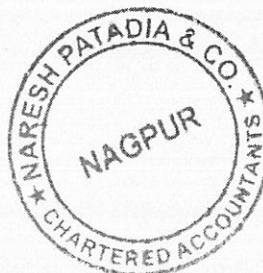


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		<p>agreement ab initio. Accordingly the whole amount receivable from AAI is considered good for recovery.</p> <p>Director's Report under the heading Auditors' Report (Refer Page No. 23 of Annual Report 2013-14)</p> <p>Replies to the observations made in the Auditors Report:</p> <p>Auditors' comments in their stand alone Independent Auditors' Report under Basis of Qualification and in consolidated Independent Auditors' Report under Basis for Qualified Opinion (i), read along with note to accounts no.15 of Standalone Financial Statement and note no. 18 of Consolidated Financial Statement respectively, are self-explanatory and do not call for any further comments, however to explain, that the Trade Receivables outstanding are mostly from the Government Authorities including NHAI, MMRDA, etc. who do not have a practice of issuing balance confirmation generally. Further, with the continuous involvement of the management with the customers, the Board of Directors is of the view that the amounts due from such Government Authorities are good for recovery and hence no provision for doubtful debt is required.</p>
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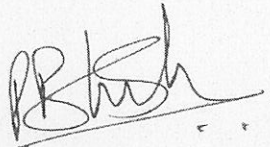

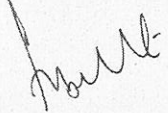


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6.	Additional comments from the Board/Audit Committee chair:	Nil
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**For and on behalf of Board of Directors**



  
**PANKAJ SHAH**                      **MANOJ SHAH**                      **SANDEEP BATTA**  
 (Whole Time Director)      (Managing Director)      (Audit Committee Chairman)

**AUDITORS**

**Refer our Independent Auditors' Report dated May 29, 2014 on the Standalone Financial Statements of the Company.**


**For Chaturvedi & Shah**  
 Chartered Accountants  
 Firm Reg. No - 101720 W



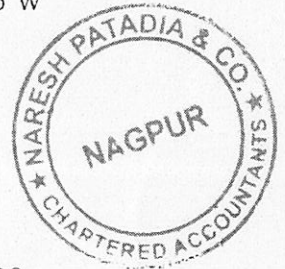
**R Koria**  
 Partner  
 Membership No - 35629



**For Naresh Patadia & Co.**  
 Chartered Accountants  
 Firm Reg. No - 106936 W



**Naresh Patadia**  
 Proprietor  
 Membership No - 35620



Place: Mumbai  
 Date: 6<sup>th</sup> September 2014

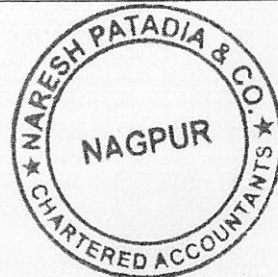
**FORM B**  
**(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company	Artefact Projects Limited
2.	Annual Consolidated Financial Statements for the year ended	March 31, 2014
3.	Type of Audit Qualification	<p>Qualifications under paragraph "Basis For Qualified Opinion" of the Independent Auditors' Report dated 29<sup>th</sup> May, 2014 to the Board of Directors of Artefact Projects Limited on the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014 (Refer Page No. 74 &amp;75 of Annual Report 2013-14.)</p> <p><i>We Refer to:</i></p> <p><i>(i) Note No. 18 of the financial statements wherein the Management of the Company has considered Trade Receivables amounting to Rs. 17,07,21,498 as good and fully recoverable. In the absence of balance confirmations/reconciliations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.</i></p> <p><i>(ii) Note no. 13.02 of the Financial Statements regarding non accounting of share in the loss of the associate aggregating to Rs. 60,89,272 in the consolidated financial statements for the year ended 31st March, 2013 since the</i></p>



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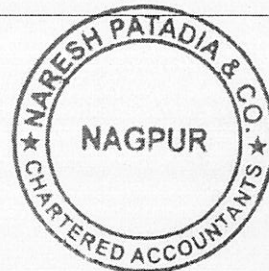
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		<p>company as a shareholder has not accepted these financial Statements. Had the same been provided there would have been a net profit after tax of Rs. 36,77,541 as against the reported figures of Rs. 97,66,813, Non-current Investments of Rs. 5,60,26,343 as against reported figures of Rs. 6,21,15,615 and Reserves and surplus of Rs. 31,82,74,596 as against reported figures of Rs. 32,43,63,868 for the year ended 31<sup>st</sup> March 2014. Further, since April 1, 2013 no Financial Information/Results/Statements from this associate has been received and hence the impact of the same in the financial statements cannot be ascertained/quantified at this stage. Accordingly the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014 are not in compliance with AS-23 Accounting for Investments in Associates to the extent.</p> <p>Also Refer Form A for Emphasis of Matter on Consolidated Financial Statements.</p>
4.	Frequency of Qualification	Appeared first time in the financial year ended 31 <sup>st</sup> March 2014.
5.	Draw attention to the relevant notes in the annual Financial Statements and management response to the qualification in the directors report:	<p>Note No. 18 on Consolidated financial statements (Refer Page No. 88 of Annual Report 2013-14)</p> <p>18.01 The amount outstanding for a period exceeding six months mainly includes amount receivable from government departments predominantly from NHAI, MMRDA , AAI etc and are in relation to execution of contract services, deployment of additional personnel, price escalations etc.The services have been provided on express written orders and procedural delays in respect of reconciliation of</p>



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accounts & disbursement of funds at government departments are normal. Further, it includes Rs. 60,108,004/- in respect of consultancy contracts for which the final bills are yet to be submitted and amount are receivable as per the running bills. Accordingly, management is of the view that all these amounts are good for recovery and no provision for doubtful debts is required.

18.02 In respect of Airport Authority of India (AAI), one of the client of the company, the company's invoice has not been accepted to an extent of Rs. 85.11 lacs citing certain minutes of their internal meeting held prior to contract execution as reason for rejection. According to the Management of the company, all the invoices raised by company are as per the contract entered with AAI for Architectural Design for Trivandrum International Airport. AAI has some interpretation clarifications in the terms of contract which the company feels are totally unsustainable. Accordingly company has sought legal clarification and filed an appeal for arbitration. The management is of the view that the action of AAI is ultra-virus and devoid of any contractual logic as well as the executed contract and agreement ab initio. Accordingly the whole amount receivable from AAI is considered good for recovery.

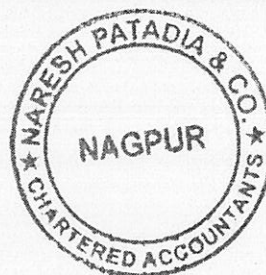
Note No. 13.02 on Consolidated financial statements (Refer Page No. 86 of Annual Report 2013-14)

ValechaBadwaniSendhwaTollways Ltd. (VBSTL) is an associate of the Company, in which the Company's ownership interest is 26%. As per the management certified



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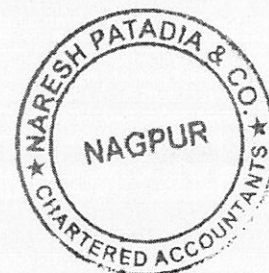
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financial statements as at 31st March 2013 the Company's share in the loss of VBSTL aggregating to Rs. 3,046,385/- was recognised in the statement of profit and loss of the Company. The financial statements of VBSTL as on 31st March, 2013 were not approved in a validly constituted Board and shareholders' meetings. In spite of several letters and notices given to company, the associate filed financial statements with Registrar of Companies, Mumbai. As per these financial statements the Company's share in the loss of the VBSTL is Rs. 9,135,657/-. The Company has decided not to give the effect of these financial statements in the Consolidated Financial Statements of the Company. Further, since April 1, 2013 the Company has not received any financial information/results/statements from the associate and accordingly the Company's share in the profit/loss of VBSTL from 1st April 2013 to 31st March 2014 cannot be quantified and considered in these Financial Statements.

Director's Report under the heading "Auditors Report" (Refer Page No. 23 of Annual Report 2013-14)

Replies to the observations made in the Auditors Report:

(i) Auditors' comments in their stand alone Independent Auditors' Report under Basis of Qualification and in consolidated Independent Auditors' Report under Basis for Qualified Opinion (i), read along with note to accounts no.15 of Standalone Financial Statement and note no. 18 of Consolidated Financial Statement



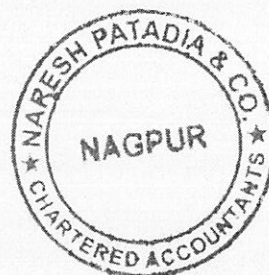
respectively, are self-explanatory and do not call for any further comments, however to explain, that the Trade Receivables outstanding are mostly from the Government Authorities including NHAI, MMRDA, etc. who do not have a practice of issuing balance confirmation generally. Further, with the continuous involvement of the management with the customers, the Board of Directors is of the view that the amounts due from such Government Authorities are good for recovery and hence no provision for doubtful debt is required.

(ii) Auditors' comments in their consolidated Independent Auditors' Report under Basis for Qualified Opinion (ii), read along with note to accounts no. 13 of consolidated Financial Statement, is also self explanatory, and do not call for any further comments, however to explain, that the Company has decided not to give the effect of the profit/loss of ValechaBadwaniSendhwaTollways Ltd. (VBSTL) for the year ended 31st March, 2014 in the Consolidated Financial Statements of the Company since they are not approved in Board Meeting held on 20th May, 2014 on account of rectifications required for proper accounting of bonus and annuity incomes and project claims. The Company has not received any financial information / results / statements from the associate subsequently and accordingly the Company's share in the profit/loss of VBSTL cannot be quantified and considered in the Financial Statement.

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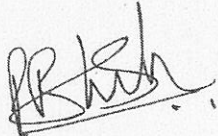
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6.	Additional comments from the Board/Audit Committee chair:	Nil

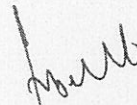
**For and on behalf of Board of Directors**



**PANKAJ SHAH**  
(Whole Time Director)



**MANOJ SHAH**  
(Managing Director)

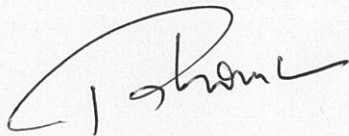


**SANDEEP BATTA**  
(Audit Committee Chairman)

**AUDITORS**

**Refer our Independent Auditors' Report dated May 29, 2014 on the Consolidated Financial Statements of the Company.**

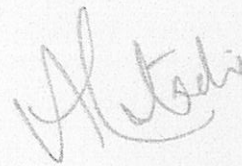
**For Chaturvedi & Shah**  
Chartered Accountants  
Firm Reg. No - 101720 W



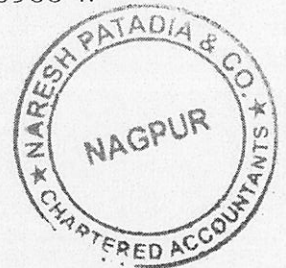
**R Koria**  
Partner  
Membership No - 35629



**For Naresh Patadia & Co.**  
Chartered Accountants  
Firm Reg. No - 106936 W



**Naresh Patadia**  
Proprietor  
Membership No - 35620



Place: Mumbai  
Date: 6<sup>th</sup> September 2014

26<sup>th</sup> ANNUAL REPORT  
**2013-14**



**Artefact Projects Ltd.**  
Excellence in Infrastructure Services

**GROWTH**  
PROSPERITY  
**PROGRESS**



# Artefact Projects Ltd.

The Key Management Team Comprises of

## BOARD OF DIRECTORS



**Mr. Manoj B. Shah**  
Managing Director



**Mr. Pankaj B. Shah**  
Managing Director



**Mr. Siddharth P. Shah**  
Executive Director



**Mr. Sandeep M. Batta**  
Independent Director



**Mr. Mohandas S. Adige**  
Independent Director



**Mr. Ashok Mehta**  
Independent Director



**Mr. Deepak B. Mehta**  
Independent Director



# 26<sup>th</sup> ANNUAL REPORT 2013 – 14

## Board of Directors

Mr. Manoj B. Shah	Managing Director
Mr. Pankaj B. Shah	Whole-time Director
Mr. Sandeep M. Batta	Independent Director
Mr. Mohandas S. Adige	Independent Director
Mr. Deepak B. Mehta	Independent Director
Mr. Ashok Mehta	Independent Director
Mr. Girish R. Dhabalia (Resigned w.e.f. 23 <sup>rd</sup> May 2014)	Independent Director
Mr. Siddharth P. Shah	Executive Director

## Company Secretary & Compliance Officer

Mr. Lucky A. Popli (Resigned w.e.f. 13<sup>th</sup> August 2014)  
Ms .Shilpa A. Bhargava (Appointed w.e.f. 13<sup>th</sup> August 2014)

## 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: +91712-025128  
Email: [artefactnagpur@gmail.com](mailto:artefactnagpur@gmail.com)  
[shareholders@artefactprojects.com](mailto: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](http://www.artefactprojects.com)

## Corporate Consultants

MGCA Consultants Private Limited

## Bankers

Canara Bank  
IDBI Bank



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5 YEARS' PERFORMANCE AT A GLANCE

( ₹ in Lacs )

FINANCIAL YEAR	2009-10	2010-11	2011-12*	2012-13*	2013-2014
<b>REVENUES :</b>					
Net Receipts from operations	2152.61	1901.35	2981.14	3,836.29	3632.62
Other Income	33.1	56.73	42.96	41.73	162.25
<b>Total Income</b>	<b>2,185.71</b>	<b>1958.2</b>	<b>3024.1</b>	<b>3,878.02</b>	<b>3794.87</b>
<b>EXPENDITURE:</b>					
Operating and Administrative Expenses	1673.32	1477.77	2350.21	3,157.20	3009.06
<b>Operating Profit</b>	<b>512.39</b>	<b>480.43</b>	<b>673.89</b>	<b>720.82</b>	<b>785.81</b>
Finance Cost	102.61	196.71	299.62	340.16	434.90
<b>PBDT</b>	<b>409.78</b>	<b>283.72</b>	<b>374.27</b>	<b>380.66</b>	<b>350.91</b>
Depreciation	35.26	69.32	116.16	113.56	97.26
<b>PBT</b>	<b>374.52</b>	<b>214.4</b>	<b>258.11</b>	<b>267.09</b>	<b>253.65</b>
Tax	129.05	59.57	74.77	84.53	134.10
<b>PAT</b>	<b>245.47</b>	<b>154.83</b>	<b>183.34</b>	<b>182.56</b>	<b>119.55</b>
Dividend per share proposed (Rs.)	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>

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

BALANCE SHEET

( ₹ in Lacs )

FINANCIAL YEAR	2009-10	2010-11	2011-12**	2012-13**	2013-14
<b>ASSETS</b>					
Net Block- Fixed Asset-Own	2796.64	2650.15	2640.43	2,586.47	2625.62
Goodwill on Consolidation	-----	-----	173.86	174.30	174.30
Investments ( Incl. JVs)	2.01	104.01	135.89	624.24	621.16
Long Term Loans and Advances	-----	41.88	410.51	1,199.09	864.13
Other Non Current Assets	-----	-----	-----	46.56	-----
Net Current Assets	1096.08	1890.7	2882.43	2,198.28	2739.55
Miscellaneous Expenditure (to the extent not w/off)	-----	-----	0.56	-----	-----
<b>TOTAL ASSETS</b>	<b>3894.73</b>	<b>4686.74</b>	<b>6243.68</b>	<b>6,828.93</b>	<b>7024.76</b>
<b>LIABILITIES</b>					
Equity Share Capital	407.76	497.76	552.5	552.5	552.50
Reserves & Surplus	1195.01	2094.08	3037.84	3,145.97	3243.64
Application Money Pending Allotment	1167.16	-----	-----	-----	-----
Convertible Share Warrants	-----	258.16	-----	-----	-----
Minority Interest	-----	-----	31.02	0.68	0.91
Secured Loans	1111.55	1760.47	1951.18	2,213.12	2212.15
Unsecured Loans	-----	32.1	568.9	750.00	832.65
Deferred tax liability	13.25	44.17	102.24	122.67	175.59
Other Long Term Liabilities	-----	-----	-----	38.95	2.17
Long Term Provisions	-----	-----	-----	5.03	5.15
<b>TOTAL NET WORTH</b>	<b>2769.93</b>	<b>2849.99</b>	<b>3589.78</b>	<b>3,698.47</b>	<b>3796.13</b>
<b>TOTAL LIABILITY</b>	<b>3894.73</b>	<b>4686.74</b>	<b>6243.68</b>	<b>6,828.93</b>	<b>7024.76</b>



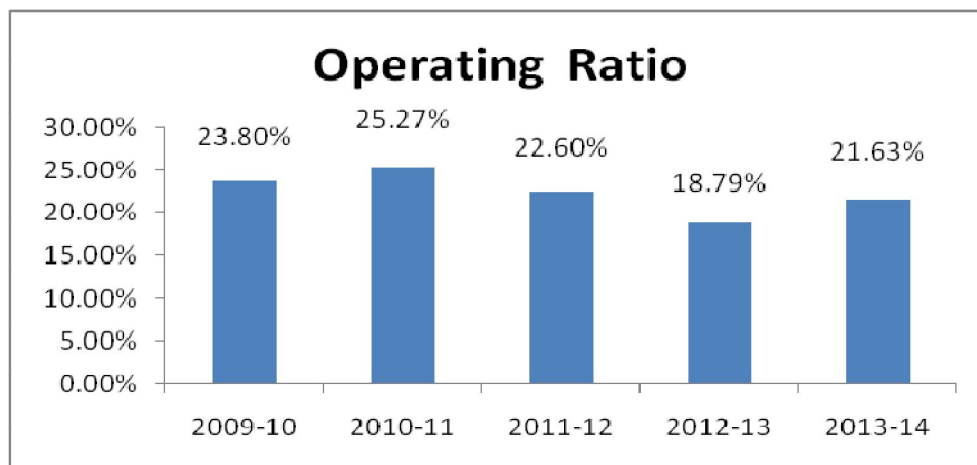
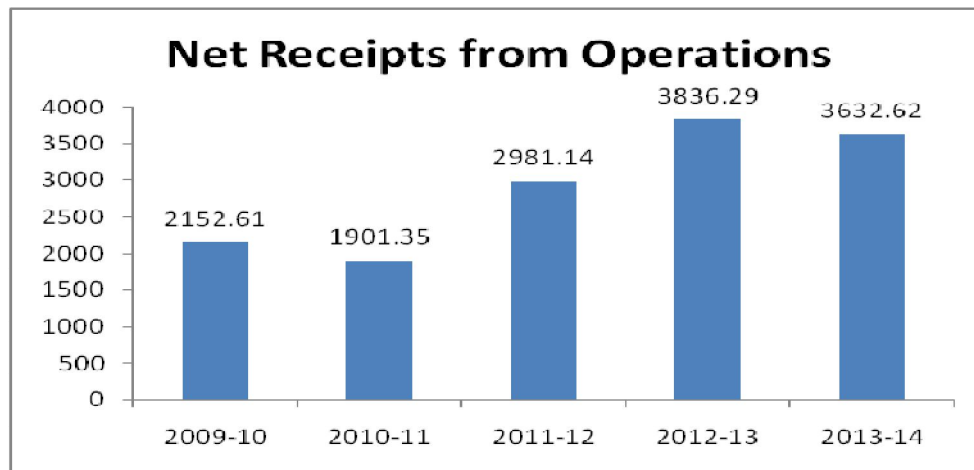
**FINANCIAL RATIO**

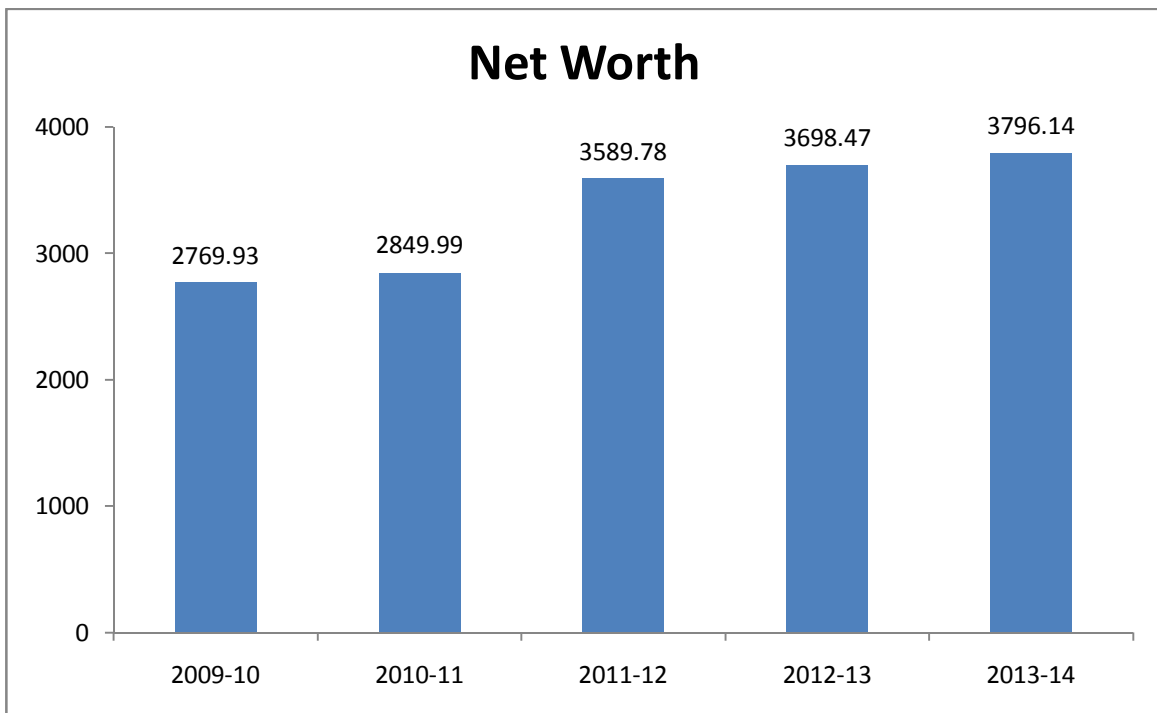
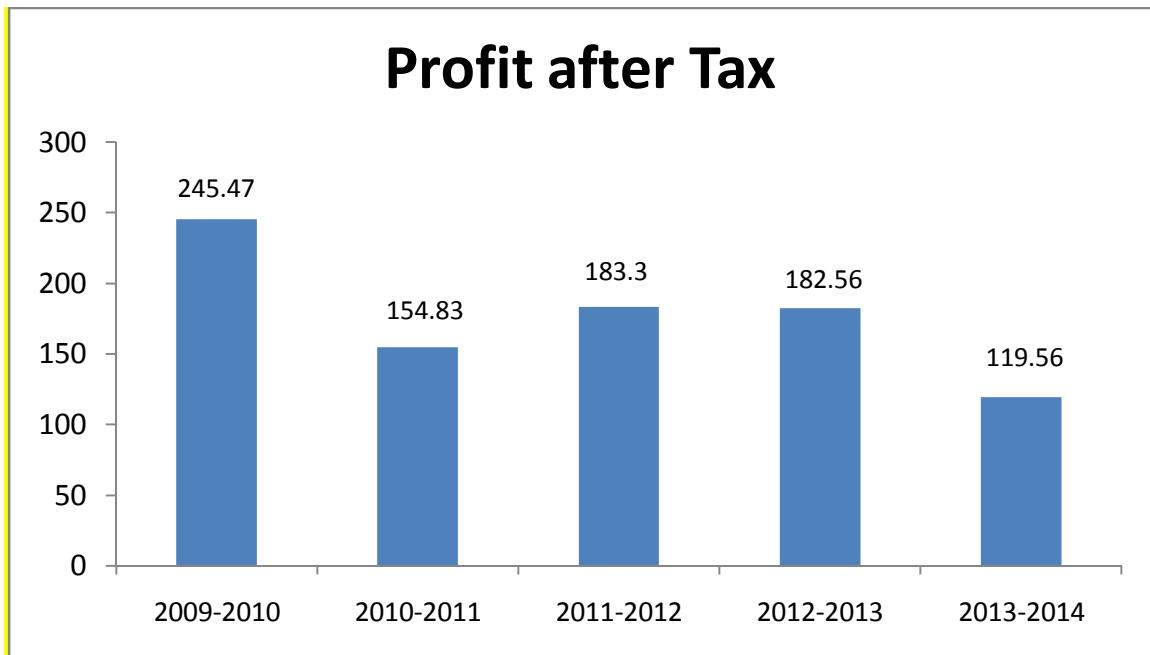
	2010	2011	2012**	2013**	2014
Operating Ratio	<b>23.80%</b>	<b>25.27%</b>	<b>22.60%</b>	<b>18.79%</b>	<b>21.63%</b>
PBDT Ratio	19.04%	14.92%	12.55%	9.92%	9.66%
PBT Ratio	17.40%	11.28%	8.66%	6.96%	6.98%
PAT Ratio	11.40%	8.14%	6.15%	4.76%	3.29%
Net Worth	2769.93	2849.99	3589.78	3,698.47	3796.14
Return on Equity (PBT/Equity)	13.52%	7.52%	7.19%	7.22%	6.68%
Interest Coverage Ratio	4.99	2.44	2.25	2.12	1.81
Debt Equity Ratio (Secured Loan/Equity)	0.4	0.62	0.54	0.60	0.58
EPS (Basic)	5.93	3.13	6.9	3.30	2.16
EPS (Diluted)	5.78	3.09	6.9	3.30	2.16

\* 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 26<sup>th</sup> Annual General Meeting of the members of the Company will be held on Monday, 29<sup>th</sup> September, 2014 at 11.00 A.M. at “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015, to transact the following businesses:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Director’s and Auditor’s thereon.
2. To declare dividend on equity shares for the financial year ended on 31<sup>st</sup> March 2014.
3. To appoint a Director in place of Mr. Pankaj B. Shah, Whole-Time Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (having FRN: 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (having FRN: 106936W) as Joint Statutory Auditors of the Company to hold office from the conclusion of 26<sup>th</sup> Annual General Meeting upto the conclusion of 29<sup>th</sup> Annual General Meeting and to fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), 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, M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (having Firm Registration No. 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (having Firm Registration No. 106936W), be and are hereby re-appointed as Joint Statutory Auditors of the Company to hold office from the conclusion of 26<sup>th</sup> Annual General Meeting till the conclusion of 29<sup>th</sup> Annual General Meeting to be held for the financial year ending 31<sup>st</sup> March, 2017 (subject to ratification of the appointment by the members at every Annual General Meeting to be held after this Annual General Meeting) and to audit financial accounts of the Company for the financial year from 2014-15 to 2016-17 and the Board of Directors of the Company be and is hereby authorised to fix the Auditor’s remuneration in their consultation as may be agreed upon between the auditors and the Board of Directors of the Company.”

## SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 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), Mr. Sandeep M. Batta (DIN: 02220509), Independent Director of the Company, who retires by rotation at this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Sandeep M. Batta as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such up to 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”



6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 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), Mr. Ashok Mehta (DIN: 00023283), Independent Director of the Company, whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Ashok Mehta as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such up to 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 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), Mr. Deepak Mehta (DIN: 02753186), Independent Director of the Company, whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Deepak Mehta as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such up to 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 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), Mr. Mohandas Adige (DIN: 00280925), Independent Director of the Company, whose office is liable to determination to retire by rotation and in respect of whom the Company has received a notice in writing alongwith requisite deposit from a member as required under Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Mohandas Adige as an Independent Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such up to 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.”

9. 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 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Meeting 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 and subject to such approvals, sanctions and consents (hereinafter referred to as the “Approvals”) as may be required from such authorities and institutions or bodies and such conditions as may be prescribed by any of them while granting such approval, which may be agreed to, in its sole discretion, by 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), consent of the members of the Company be and is hereby accorded to the Board to borrow in any manner from time to time any sum or sums of money (ies) at its discretion on such terms and conditions as the Board may deem fit, notwithstanding that the moneys to be borrowed by the Company together with the money (ies) already borrowed or to be borrowed (apart from temporary loans and other credit facilities obtained or to be obtained from the Company’s bankers in the ordinary course of its business), whether secured or unsecured, will or may exceed the aggregate of the paid up capital and free reserves that is to say, reserves not set apart for any specific



purpose, provided that the maximum amount of money so borrowed and outstanding at any one time shall not exceed the sum of ₹ 100 Crores (Rupees One Hundred Crores only).

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

10. 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 180(1)(a) and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) read with Companies (Meeting of Board and its Power) 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 mortgage and/or to create charge in any manner, on all or any of the immovable and/or moveable assets including outstanding monies, receivables, claims, bills, documents, contracts, engagements, securities, investments and rights of the Company both present and future of the Company for securing any loan obtained or as may be obtained from any Bank or any Consortium of Banks or Financial Institutions or funds or any person or body(ies) together with interest, cost, charges, expenses and any other money(ies) payable by the Company or to create charge to secure any loan taken by other entities/bodies corporate, on such terms and conditions as the Board may deem fit in the interest of the Company provided that the total amount at any point of time so secured/mortgaged shall not exceed the limit as approved under Section 180(1)(c) of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and deeds 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**

Sd/-

**Manoj B. Shah  
Chairman & Managing Director**

**Place: Nagpur**

**Date: 13<sup>th</sup> August, 2014**

**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.** A person can act 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 member.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to 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.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report at the time of the Meeting.
5. Register of Members and the Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September, 2014 to 29<sup>th</sup> September, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if approved by the shareholders at the ensuing Annual General Meeting.
6. The dividend on Equity Shares, if declared at the Meeting, will be credited / dispatched between Thursday, 9<sup>th</sup> October, 2014 and Saturday, 11<sup>th</sup> October, 2014 to those members whose names shall appear on the Company's Register of Members on 29<sup>th</sup> September, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on that date.
7. Additional information pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of the Directors proposed to be appointed/re-appointed at the ensuing Annual General Meeting is annexed and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
8. Members holding shares in physical form are requested to notify immediately any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number. Members holding shares in the electronic form may update such details with their respective Depository Participants.
9. Members desirous of getting 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 so that the information required may be made readily available at the meeting.
10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividend through National Electronic Clearing Service (NECS) to investors wherever NECS and bank details are available. The Company will be availing the NECS facility for the payment of dividend this year. The bank details are required to be updated for the members who will be availing this facility. In the absence of NECS required details, the Company will print the bank account details, as available, on the Payment Instrument for distribution of dividend, if approved by the members.
11. 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, Link Intime India Private Limited for consolidation of all such shareholding into one folio to facilitate better services.
12. The Securities and Exchange Board of India 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 Registrars & Share Transfer Agents.



13. Non Resident Indian members are requested to inform Registrar & Share Transfer Agents, 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.
14. Pursuant to provisions of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred the unclaimed or unpaid dividends for the financial year 2005-06 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 dividend so transferred to the fund. Shareholders who have not yet en-cashed their dividend warrant(s) for the financial year ended 31<sup>st</sup> March, 2007 or for any subsequent financial years are requested to make their claims to the Company.
15. To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rule 2014, the Company is required to update its database by incorporating some additional details of its members in its records.

You are thus requested to kindly submit your e-mail ID and other details vide the e-mail updation form attached in this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and returning the same by post.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the RTA of the Company.

16. The Notice of the 26<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the Attendance slip, Assent/ Dissent Form and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the courier.
17. **Voting through electronic means**

Pursuant to provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 26<sup>th</sup> Annual General Meeting to be held on Monday, 29<sup>th</sup> September, 2014 at 11.00 a.m. The Company has engaged the services of Central Depository Services Limited (CDSL) to provide the e-voting facility. It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it discretion, subject to compliance with the instructions prescribed below:

The e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com)

**(A) Procedure/ Instructions for e-voting are as under:**

- (a) Open your web browser during the voting period and log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (b) Now click on "Shareholders" to cast your votes.
- (c) Now, fill up the following details in the appropriate boxes:
  - (i) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (ii) Next enter the Image Verification as displayed and Click on Login.
  - (iii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (iv) If you are a first time user follow the steps given below:





For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li></ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li></ul>

- (d) After entering these details appropriately, click on “SUBMIT” TAB. Members holding shares in Physical form will then reach directly to the EVSN selection screen. Members holding shares in Demat form will now reach Password Creation menu wherein they are required to mandatorily change their login password in the new password field. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (e) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (f) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (g) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (h) Click on the EVSN for Artefact Projects Limited on which you choose to vote.
- (i) On the voting page, you will see Resolution Description and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (j) Click on the Resolution File Link if you wish to view the entire AGM Notice.
- (k) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (l) Once you ‘CONFIRM’ your vote on the resolution, you will not be allowed to modify your vote.
- (m) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (n) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.



- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

These details and instructions form an integral part of the Notice for the Annual General Meeting to be held on Monday 29<sup>th</sup> September, 2014.

**(B) General:**

- (a) In case of any queries regarding e-voting you may refer to the 'user manual for shareholders to cast their votes' available at [www.evotingindia.com](http://www.evotingindia.com) under 'HELP'.
- (b) If you are already registered with CDSL for e-voting then you can use your existing user ID and password for casting your vote.
- (c) The e-voting period commences on Thursday, 18<sup>th</sup> September, 2014 (9.00 a.m.) and ends on Saturday, 20<sup>th</sup> September, 2014 (6.00 p.m.). During the e-voting period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29<sup>th</sup> August, 2014, may cast their votes electronically. Once the vote on a resolution is cast by the shareholder, he shall not be allowed to change it subsequently.
- (d) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 29<sup>th</sup> August, 2014.
- (e) CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries Mumbai has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (f) The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Managing Director of the Company.
- (g) The Results of the e-voting along with the scrutinizer's report shall be placed in the Company's website [www.artefactprojects.com](http://www.artefactprojects.com) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the Stock Exchange where the shares of the company are listed.
- (h) In case of joint shareholders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (i) The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.artefactprojects.com](http://www.artefactprojects.com) and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.



**In Pursuance of the Clause 49 (IV) (G) of the Listing Agreement details of directors seeking re-appointment at the ensuing Annual General Meeting are as follows:**

- 1) **Mr. Pankaj B Shah**, aged 51 years is an Engineer and a Technocrat Entrepreneur with flair of Project Management. He has more than 24 years of Professional standing and experience. As a Managing Partner of Artefact Marketing he has provided specialized engineering services to various reputed Public and Private Sector Organizations. The services included Water Supply, Hydraulics, Mechanical Engineering, Valves and Pipe Lines installation, Commissioning and Technical Consultancy and he is very well versed with Business Development and dealing with Government Authorities and PSU's. He has a wide experience in co-ordination and overall Management of numerous Urban Infrastructure Projects including Highway & Roads.

He has also contributed to Projects in the field of Engineering, Hydraulics, Mechanical Engineering, Systems Development, Project Monitoring, Business Re-engineering Studies, Techno-economic Feasibility Studies, Project Report - Preparation, Cost Rationalization studies, Project Development, Export Marketing, etc. He has core experience in Design, Planning, Organizing, Monitoring and Management of Infrastructure projects.

He is instrumental in the winning of various Global Design Competition awards by Artefact.

Besides holding Directorship in Artefact Projects Limited, he is also Director in Cleon Infrastructure Private Limited, Glowide Infrastructure Private Limited, Sanskar Vikas Foundation, Valecha Badwani Sendhwa Toll Ways Ltd., Koradi Minerals Private Limited. He is a member of Audit, Management, Shareholder and Ad-Hoc Committees of the Company.

As on 31<sup>st</sup> March, 2014, he holds 747550 Equity Shares of the Company.

- 2) **Mr. Sandeep Batta**, a Fellow Chartered Accountant, aged 52 years has experience of working as Financial Expert for Project Development. He has rendered specialized services in the areas of Project Management Structuring as Financial Advisor, Financial Structuring, Contract & Bid Management, Feasibility, Project Viability Study, Traffic Economic Studies, Evaluation of Proposals, Assistance in Contract Award, Preparation of Project Information Memorandum & Financial Appraisal of Projects, for numerous Infrastructure Projects including Highway Projects. He also has wide exposure in the field of Accounts, Finance and Taxation. He has experience of listing and Public Issue Management, Private Placement, Investors Servicing Mechanism, Resource Mobilization, all aspects of public issue /private placement.

Mr. Sandeep Batta has experience in Training with modern and in Computerized Environment, Financial Analysis, Sensitivity Analysis, Projection Tools, Macro Economic Forecasting Parameters etc. He had received trainings and attended various Seminars and Workshops at CII, FICCI, ICAI, etc. for various Infrastructure Development Policies and programs.

Besides holding Independent Directorship in Artefact Projects Limited, he is also a Non-Executive director in Vidarbha Holdings Limited, Independent director in Artefact Infrastructure Limited. He is a member of Audit, Remuneration, Shareholder, and Ad-Hoc Committees of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company

- 3) **Mr. Ashok Mehta**, aged 51 years is a Graduate in Mining, M. Tech in Industrial Engineering & Management and Post Graduate in Industrial Relations & Personnel Management. He has experience of more than 10 years at Board Level including Chief Executive in Central PSU and has worked as Director Personnel (HRD) of a Coal Company having employee strength over One Lakh. He also possesses wide experience of handling multi unions and wages negotiation of over a period of 20 years. He has been Chairman / Managing Director of two Coal Companies and has developed various strategies, formulated revival plan to wipe out losses which was accepted by the BIFR and duly approved by the Government.

He does not holding directorship in any other Company. He is a member of Audit and Remuneration Committees of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company.

- 4) **Mr. Deepak Mehta**, aged 56 years is Master in Science from Delhi University. He joined National Defense Academy in June, 1991. Mr. Mehta served Indian Army as a Colonel during the period from June, 1998 to November, 2004. During



his period in Indian Army, he held important HQ postings and was responsible for drafting answers to Parliament Questions at Delhi as well as he trained budding young officers of the Army. He has also worked as a Chief Executive of Arneja Heart Institute; Nagpur. He was also responsible for HR and Administration department of the hospital and Non Invasive Investigations. He has vast skills of effective administration, human resource development and operations and maintenance at project level. Besides this, he is a National golfer and National gymnast.

He is also an Independent Director in Artefact Infrastructure Limited. He is also the member of Audit Committee, Remuneration Committee, Ad-Hoc Committee, Borrowing Committee, and Shareholder / Investor Grievance Committee of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company.

- 5) **Mr. Mohandas Adige**, aged 63 years is a Metallurgical Engineer from Banaras Hindu University with post-graduation studies at the Sheffield University, UK and Diploma in Operations and Financial Management from Jammalal Bajaj Institute of Management Studies, Bombay University.

He has experience of 38 years in Industry in various capacities in the functional areas including Project Management. He has travelled to various countries for training, business development, technology transfer, purchase of capital equipment, international seminars. He has been an active member of Confederation of Indian Industry (CII), other Industry associations & NGO's. He has extensively networked with government bodies, financial institutions & academic institutions. His contribution to the Company as a professional engineer and management expert is of immense value for future growth.

He is also director in Nagpur Power & Industries Limited, Birla Precision Technologies Limited, Faiz Super Alloys Private Limited, Birla Shloka Edutech, Limited, Melstar Information Technologies Limited, Birla Energy Infra Limited, The Motwane Manufacturing Company Pvt. Ltd., Facor Steels Limited, Birla Edutech Limited, AHG Metal Endustri Urunleri Ticarete Ve Sanayi, Istanbul, Turkey (incorporated in turkey). He is also the member of Audit Committee, Borrowing Committee, and Management Committee of the Company.

As on 31<sup>st</sup> March, 2014, he holds 100 Equity Shares of the Company.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NOS. 6, 7, 8 & 9:

Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige were appointed as Independent Directors of the Company on 28<sup>th</sup> September, 2012, 27<sup>th</sup> September, 2013, 28<sup>th</sup> September, 2012 and 28<sup>th</sup> May, 2013 respectively. Their office is liable to retire by rotation at Annual General Meetings as per terms of their appointment.

In the terms of the provisions of Section 149 and 152 of the Companies Act, 2013, which become effective from 1<sup>st</sup> April, 2014, an Independent Director of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige as Independent Directors of the Company to hold office as such for a period upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige have given requisite declarations pursuant to Section 149(6) of the Companies Act, 2013. The Company has also received notices along with requisite deposit under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Independent Director.

In the opinion of the Board, Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige, proposed to be appointed as Independent Directors, fulfill the conditions specified in the Act and the rules made thereunder and are Independent of the management.

Brief Resume of the Independent Directors proposed to be appointed as stipulated under Clause 49 of the Listing Agreement entered with BSE Limited are given in the annexure to the Notice.



The Board recommends the resolutions as set out at Item Nos. 6, 7, 8 & 9 of the Notice for your approval.

Except Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige, none of the Directors / Key Managerial Personnel of your Company or relatives of Directors / Key Managerial Personnel are in any way, concerned or interested, financially or otherwise, in the said resolutions.

**ITEM NO. 10:**

In order to meet the future requirements of funds, which may arise on account of the plans / programs / business, the Company may require further loans / borrowings from time to time from financial institutions, banks and others entities. As per provisions of Section 180(1)(c) of the Companies Act, 2013, a company cannot take loan exceeding aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, unless approved by its members by passing special resolution. Further to secure such borrowings, the Company may be required to create a charge / mortgage/ hypothecation on all or any of the movable and immovable assets, both present and future as and when required from time to time. As per provision of Section 180(1)(a) of Companies Act, 2013 a company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertakings, unless approved by its members by passing special resolution.

In terms of the provisions of Section 180(1)(c) and Section 180(1)(a) of the Companies Act, 2013, the Company needs to take approval of members for increasing the borrowing powers and authority to create charge/ mortgage on the assets of the Company to secure the money(ies) borrowed from financial institutions, banks and others financial entities from time to time. Hence it is proposed to take your approval for a limit upto ₹ 100 crores.

Earlier, the members of the Company has passed ordinary resolution from time to time under Section 293(1)(a) and Section 293(1)(d) of the Companies Act, 1956, in this respect, which are valid upto 11<sup>th</sup> September, 2014.

The Board recommends the Resolutions as set out at Item nos. 10 and 11 of the Notice for your approval.

None of the Directors, Key Managerial Personnel of your Company or relatives of Directors / Key Managerial Personnel are in any way, concerned or interested, financially or otherwise, in the said resolutions.

**By Order of the Board of Directors**

Sd/-

**Manoj B. Shah**

**Chairman & Managing Director**

**Place: Nagpur**

**Date: 13<sup>th</sup> August, 2014**

**REGISTERED OFFICE:**

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



## Letter from Managing Director

Dear Shareholders,

We are pleased to inform that your company continues to performed in spite of the challenging and competitive times of the economy. The economic growth rate in was pegged at the lowest in a decade.

During 2014-15, the economic activity is expected to show a robust improvement, with a pick-up likely in the second half of the year. The outlook for industrial activity and the pipeline of new investment by removing of bottlenecks and implementation gaps is likely. With global growth unlikely to improve significantly, growth in services and exports may improve. Accordingly, the baseline GDP growth for 2014-15 is projected at 6 to 7 per cent.

Your Company proposes to build upon its past performance, based on the intrinsic advantages of its asset base and existing business standing in the light of new Economic Development thrust.

The period of economic hope will create huge challenges and opportunities. The challenges are in the form of operating margin pressure and interest costs. But the lower demand growth due to positive economic sentiment on the new clear mandate to the government at center is likely to change the face of India's economic activity.

The net receipts from operations of the Company were ₹ 3,632.62 lacs as compared to ₹ 3836.29 lacs in the last fiscal. The net profits of the Company remained at ₹ 119.56 lacs as compared to the last fiscal of ₹ 182.56 lacs due to higher costs of Debt servicing and depreciation.

Your Company has expanded its business activities through its wholly owned subsidiary viz. Artefact Infrastructure Limited ("AIL") and promoted various mining projects through its promoted SPV's. AIL is undertaking Infrastructure development of Road Project, EPC Construction for Roads and Mining Projects and is also acquiring mining assets through LLP and Project Specific SPV's. Your Company is optimistic of the potential of returns from the projects as your Company has started building a good base of long-term yielding infrastructure assets, be it road projects or mining leases. The revenues from these new projects have partially commenced from the year financial year 2013-14. It is likely to increase automatically.

Moving ahead with optimistic approach, the Company has bagged substantial orders, strengthening its order book position. I would like to take this opportunity to thank the entire management team at Artefact Projects Limited for their energy and tireless work throughout the year. I would also like to sincerely thank our joint venture partners, bankers, customers and business associates for their support. Finally, a big thank you to all our investors for the continued confidence they have shown in Artefact Projects Limited.

Warm Regards

Sd/-

**Manoj B. Shah**  
Managing Director

Date : 13<sup>th</sup> August, 2014  
Place : Nagpur



**DIRECTORS' REPORT**

To,  
**The Members**

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS:**

(₹ in Lacs)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2013-2014	2012-2013*	2013-2014	2012-2013**
Income from operation and other income	2060.27	1450.07	3794.87	3877.84
Profit before Depreciation & Amortization expenses, Finance Cost and tax	497.47	498.82	785.82	725.14
Less: Depreciation and Amortisation Expenses	86.69	103.93	97.26	113.56
Finance Cost	336.97	327.20	434.90	344.48
Profit before tax	73.80	67.69	253.66	267.09
Less: Provision for tax	64.15	23.3	134.10	84.53
Profit after tax	9.66	44.39	119.55	182.56
Add: Pre-Acquisition Loss Transfer to Goodwill	-	-	-	0.08
Less: Minority Interest in Income	-	-	0.22	0.28
Add: Previous year Minority Interest Transferred to reserve	-	-	-	-
Add: Share in Profits of Associates	-	-	(21.66)	(27.33)
Balance of profit as per last Balance Sheet	1284.63	1288.72	1594.13	1486.00
Balance available for appropriation	1294.29	1284.63	1691.80	1594.13
Proposed Rate of dividend	7.5%	7.5%	7.5%	7.5%
Add: Deferred Revenue Exp W/off	-	-	-	1.58
Proposed dividend	41.44	41.44	41.44	41.44
Previous years' dividend Reversed	41.44*	-	(41.44)	-
Tax on dividend	7.04	7.04	7.04	7.04
Tax on Dividend Reversed	7.04*	-	(7.04)	-
Transfer to General Reserve	-	-	-	-
Balance of profit carried to Balance Sheet	1294.29	1284.63	1691.80	1594.13

\* The dividend proposed for the year ended 31<sup>st</sup> March, 2013 was not approved by the shareholders in Annual General Meeting held on 27<sup>th</sup> September, 2013; hence provisions provided in previous year is reversed.

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



## 2013-2014 IN RETROSPECTS:

During the year under review profitability of the Company affected due to highly challenging competitive environment. Even though the economic factors have been affecting the business environment globally, your company is pursuing its way to success through various diversifications in its business activities.

**Manpower Cost:** There has been increase in the manpower cost of the Company due to establishment of new projects.

**Administrative, Selling & Other Expenses:** Increase in Administrative, selling and other expenses due to establishment of new projects.

**Project Expenses:** Increase in project expense is observed mainly due to civil contract expense and mining expenses incurred by the subsidiary for ongoing road and mining projects.

**Interest & Other Financial Charges:** Interest and other financial charges have been increased on account of additional CC and LC facilities availed by Company's subsidiary.

**Depreciation:** Depreciation has been decreased as the block of Building (Leasehold renovation) of the holding company becomes nil. However depreciation has been increased, due to addition in fixed assets, as compared to previous financial year's depreciation except on computers.

## BUSINESS OUTLOOK

In times of challenge, a mix of long term strategies and agile tactical responses are critical for success. Your Company has countered the slowdown in economy by expanding its footprint and intensifying operations in geographies with promising business potential. Also as the macro environment remains challenging, your Company is effectively targeting specific opportunities within India to maximize shareholder wealth and other interests of the company.

**During the year, your company was awarded and commenced operations for the following projects:**

1. Four laning of Nagpur-Wainganga Bridge Section from km 498.00 to km 544.20 of NH-6 (Length about 45.43 km) in the State of Maharashtra to be executed as BOT (Toll) project on DBFO pattern under NHDP Phase -III- Reg.
2. Independent Engineer services for Operation and Maintenance of Kota-Baran Section km 388.263 to km 492.322 of NH-76 in the Rajasthan State on OMT basis (Package-8).
3. Tender for carrying out Services in Construction and DLP Consultancy for Extended MUIP Works" for Widening and Improvement of Nalasopara – Nirmal MDR-39 for 12.50 km length with bridges for 2+2 lanes (Package VII)
4. Independent Engineer services for Four laning of Solapur- Maharashtra/ Karanataka border section of NH-9 from Km 249.00 TO Km 348.800 under NHDP Phase-III in the Maharashtra State on BOT (TOLL) basis (Package No. NHAI/MH/11019/1/2011)
5. Independent Engineer services for 4 Laning of Mulbagal-AP/KNT Border section of NH-4 from km 216.912 to km 239.100 in the State of Karnataka to be executed as BOT (Toll) on DBFOT pattern under NHDP-Phase-III (Package No. Kar/Phase -III/IC-5/2012-13)
6. Independent Engineer services for Four Laning of Amravati-Jalgaon Section of NH-6 from km 166.725 to km 441.950 (length 275.225 km) to be executed on DBFOT (Toll) pattern under NHDP Phase-IV in the state of Maharashtra (Pkg. No.NHAI/Tech//11019/Amt-Gmh/2011)
7. Independent Engineer services for Six Laning of NH-4 from Walajahpet to Poonamallee (km 13.800 to km 106.800, approx. length 93.000 km) in the Tamil Nadu State on DBFOT Basis under NHDP-Phase- V.
8. Independent Engineer services for Four Laning of Jalgaon-Maharashtra/Gujarat Border Section of NH-6 from km 441.950 to km 650.794 (length 208.844 kms) to be executed on DBFOT(Toll) pattern under NHDP Phase-IV in the state of Maharashtra (Package No. NHAI/Tech/11019 /Amt-Gmh/Pkg-II/2011)





9. Independent Engineer services for four Laning of Walayar - Vadakkancherry from existing Km. 182.250 to Km. 240.000 (Design Length = 54.00 Km.) in the State of Kerala under NHDP-Phase-II to be executed on BOT (Toll) on DBFOT Basis (Package No. Ns-2/BOT/KL-2/Phase – II).
10. Independent Engineer services for Four-Laning of Rajsamand (NH-8)-Gangapur-Bhilwara (NH-79) in the section of NH-758 (from km 0.000 to km 87.250) in the state of Rajasthan under on Design, Build, Finance, Operate and Transfer (toll) basis.
11. Independent Engineer services for Operation and Maintenance for Hyderabad Bangalore section km 211.000 to km 462.164 on NH-7 (Length 252 Km) in the state of Andhra Pradesh on OMT basis (Package-13).

### CAPITAL EXPENDITURE:

During the year the company has incurred capital expenditure of ₹ 55.56 Lacs. The addition is mainly due to Furniture and fixtures and computer and computer softwares.

### DIVIDEND:

Keeping in mind the capital requirement for future growth of the Company and to conserve higher resources for operations of the Company, your Directors recommend for approval of Members a dividend of ₹ 0.75 (7.5%) per share on the Company's share capital (previous year no dividend was approved by shareholders') for the financial year 2013-14. The dividend on the Equity share, if declared as above, would involve total cash outflow of ₹ 41.44 Lacs and Corporate Dividend Distribution Tax of ₹ 7.04 Lacs.

### PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any deposits within the meaning of Section 58A & 58AA of the Companies Act, 1956.

### DIRECTORS:

During the year 2013-14 Mr. Siddharth P. Shah was appointed as Whole-Time Director at the 25<sup>th</sup> Annual General Meeting of the Company i.e. on 27<sup>th</sup> September, 2013.

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 and Articles of Association of the Company, Mr. Pankaj B. Shah, Whole-Time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. Your Board recommends his re-appointment.

In terms of the provisions of Section 149 and 152 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014 which became effective from 1<sup>st</sup> April, 2014, an Independent Directors of a Company can be appointed for a term of 5 consecutive years and shall not be liable to retire by rotation.

To comply with the above provisions, it is proposed to appoint Mr. Sandeep Batta, Mr. Ashok Mehta, Mr. Deepak Mehta and Mr. Mohandas Adige, Independent Directors of the Company to hold office as such upto 31<sup>st</sup> March, 2019, who shall not be liable to retire by rotation.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered with BSE Limited. Your Board recommends for their appointment as Independent Directors of the Company in terms of the provisions of the Companies Act, 2013.



Mr. Girish R. Dhabalia, Director of the Company resigned from the Directorship of the Company w.e.f. 23<sup>rd</sup> May, 2014. The Board place on record its appreciation for his valuable contribution made during his tenure as Director of the Company.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Clause 49 of the Listing Agreement entered into with BSE Limited are given in the Notice convening the 26<sup>th</sup> Annual General Meeting of the Company.

## AUDITORS:

M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (FRN: 101720W) and M/s. Naresh Patadia & Co. Chartered Accountants (FRN: 106936W), Nagpur, Joint Statutory Auditors of your Company hold such office upto the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from them to the effect that they are willing to continue as Joint Statutory Auditors and if re-appointed, their re-appointment would be within the prescribed limits under Section 139 of the Companies Act, 2013 and they satisfy the criteria as provided under Section 141 of the Act.

Your Directors recommend the re-appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur, as Joint Statutory Auditors of the Company to hold office from the conclusion of ensuing 26<sup>th</sup> Annual General Meeting to the conclusion of the Twenty-ninth Annual General Meeting required to be held for the financial year ending 31<sup>st</sup> March, 2017 subject to ratification of the appointment by the members at every subsequent Annual General Meeting and to audit financial accounts of the Company for the financial year from 2014-15 to 2016-17.

## SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS:

A statement containing brief financial details of the Company's subsidiary viz. Artefact Infrastructure Limited for the year ended 31<sup>st</sup> March, 2014 is included in the Annual Report.

The Ministry of Corporate Affairs vide its General Circular No: 2/2011 dated February 8, 2011 have granted general exemption from attaching the Balance Sheets of subsidiary companies with the holding company's Balance Sheet, if the holding company presents in its Annual Report the Consolidated Financial Statements duly audited by its Statutory Auditors. Accordingly, the Company is publishing consolidated financial statements in the Annual Report and the Company is not attaching the Balance Sheets of its subsidiary company. Further annual accounts of the subsidiary company and the related detailed information will be made available upon request to any member of the Company interested in obtaining the same and are also available for inspection during business hours at the Registered Office of the Company and that of the respective subsidiary company. The Consolidated Financial Statements presented by the Company include Financial Results of its subsidiary company and are prepared in strict compliance with applicable Accounting Standards.

## SHARE CAPITAL:

The paid up share capital of the Company stand constant at ₹ 5,52,50,000/- (divided into 55,25,000 Equity Shares of ₹ 10/- each).

## CONTINGENT LIABILITIES:

The Contingent liabilities of the Company mainly include Bank Guarantees, Corporate Guarantees and Disputed Income tax demand provided under contract/ legal obligation to clients. No cash outflow is expected.

As a risk mitigation measure and to safeguard your Company's Financial Liability of Bank Guarantees, in case of any remote unlikely possibility of any professional liability, the performance of the Company's services is also fully covered by a comprehensive Professional Liability Insurance Policy.



## CORPORATE GOVERNANCE REPORT:

Pursuant to Clause 49 of the Listing Agreement entered into with the BSE Limited, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis Report
- Corporate Governance Report
- Certificate regarding compliance of conditions of Corporate Governance

## PERSONNEL:

As per the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, no employees were in receipt of remuneration exceeding the limits as prescribed under that section and hence no such particulars are furnished.

## INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has constituted an Internal Complaint Committee under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, no complaint was made before the Committee.

## PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in terms of requirement of clause (e) of Sub-Section (1) of Section 217 of the Companies Act, 1956 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, read along with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is as follows:

### A) Conservation of energy:

In view of the nature of business activities currently being carried out by the Company, your Directors have nothing to report as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 with respect to Conservation of Energy.

### B) Technology Absorption, Research and Development:

With the advent of new infrastructure, the IT Systems and software's used by the Company are installed as per international standards. The major technological up gradations during the year including the following:-

Installation of the contemporary IT Hardware and Infrastructure including GPS System, VPN Connectivity, Professional Audio System, SQL Server Database, Life-Size Video Conferencing, etc.

### C) Foreign Exchange Earnings and outgo:

Particulars	Amount in ₹	
	During the year ended	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Foreign exchange earned	-	-
Expenditure in foreign currency	-	4,82,284



## QUALITY ASSURANCE:

Your Company is an ISO 9001:2008 certified and complying Company. The Company's focus has been continuing to provide consistent quality services to our clients. We are constantly upgrading the quality of our services as a matter of routine operating procedure.

## ENVIRONMENT, SAFETY & HEALTH (ESH):

The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on ESH issues. Towards this, the Company has set very exacting standards in ESH management. The Company recognizes the importance of ESH issues in its operations and has established indicators to track performance in these areas. The Company values the safety of its employees and constantly enhances the same for ensuring a safe work place.

## STATUTORY DISCLOSURES:

None of the Directors of the Company are disqualified to be appointed as Director under the provisions of Section 164(2) of the Companies Act, 2013. The Directors have made necessary disclosures, as required under the various provisions of the Act.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, with regard to the Directors' Responsibility Statement, your Directors hereby state and confirm that:

- i. The applicable Accounting Standards have been followed and proper explanations relating to the material departures have been given wherever necessary;
- 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 at the end of the financial year ended on 31<sup>st</sup> March, 2014 and of the profit of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- iv. The Directors have prepared the Annual Accounts on a going concern basis.



## AUDITOR'S REPORT:

### Replies to the observations made in the Auditors Report:

- i) Auditors' comments in their stand alone Independent Auditors' Report under Basis of Qualification and in consolidated Independent Auditors' Report under Basis for Qualified Opinion (i), read along with note to accounts no.15 of Standalone Financial Statement and note no. 18 of Consolidated Financial Statement respectively, are self-explanatory and do not call for any further comments, however to explain, that the Trade Receivables outstanding are mostly from the Government Authorities including NHAI, MMRDA, etc. who do not have a practice of issuing balance confirmation generally.

Further, with the continuous involvement of the management with the customers, the Board of Directors is of the view that the amounts due from such Government Authorities are good for recovery and hence no provision for doubtful debt is required.

- ii) Auditors' comments in their consolidated Independent Auditors' Report under Basis for Qualified Opinion (ii), read along with note to accounts no. 13 of consolidated Financial Statement, is also self explanatory, and do not call for any further comments, however to explain, that the Company has decided not to give the effect of the profit/loss of Valecha Badwani Sendhwa Tollways Ltd. (VBSTL) for the year ended 31st March, 2014 in the Consolidated Financial Statements of the Company since they are not approved in Board Meeting held on 20th May, 2014 on account of rectifications required for proper accounting of bonus and annuity incomes and project claims. The Company has not received any financial information / results / statements from the associate subsequently and accordingly the Company's share in the profit/loss of VBSTL cannot be quantified and considered in the Financial Statement.

## ACKNOWLEDGEMENT:

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the shareholders, banks and other government and regulatory agencies. Your Directors would also like to take this opportunity to express their appreciation for the hard work and dedicated efforts put in by the employees and look forward to their continued contribution and support.

**For and on behalf of the Board of Directors**

**Place: Nagpur**  
**Date: 13<sup>th</sup> August, 2014**

**Sd/-**  
**Manoj B. Shah**  
**Chairman & Managing Director**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This analysis report briefly describes about the company, the industry and developments, the current business environment and the ability of the company to avail opportunities, exhibit strength, handling of threats/weaknesses, financial performance, internal controls and other related issues.

### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The new Government at center in 2014 has given a massive infrastructure push to the economy to achieve growth of GDP 8% by 2016. The Union Budget 2014-15 reflects the priority given to infrastructure and manufacturing sectors for job creation.

For the Road Sector, the Government has allocated ₹ 37,880 crores for NHAI for the Highway construction, and ₹ 14389 crores for Rural Roads.

It is proposed to achieve ambitious target of development of 8,500 km of roads, 16 new ports, 100 new smart cities and 50 industrial clusters. Massive plans are underway for development of Railways, River linking, irrigation, Port-development, Mining, Freight corridors, 100 new Airports, Tourism, Rural Infrastructure, Housing, Sanitation, Education, Drinking water and SME sector development.

### OUTLOOK AND IMPACT OF UNION BUDGET 2014-15 ON INFRASTRUCTURE SECTOR:

The overall outlook is positive for Infrastructure companies with new thrust roads and infrastructure sectors.

In terms of mitigating revenue risks, the Government is fast tracking the projects and debottlenecking the project impediments including the environment and the forest clearances.

There is also a move to ease funding of infra projects by allowing Registered Investment Trusts with listing approvals. It reduces dependence on Banks for infusion of funds for projects and is likely to give impetus to the timely financing of projects.

### YOUR COMPANY OPERATES IN AN ENVIRONMENT WHERE IT'S MAJOR:

#### **STRENGTHS include:-**

The Company's strength lies in its ability to provide end to end comprehensive range of technical services for infrastructure development. It has provided domestic and international experience. The company has expert technical personnel with enviable collaborators and JV Partners. The successful past business track record has helped company in being qualified to bid and for mobilizing the resources for services to most of large project contracts.

#### **OPPORTUNITIES include:-**

Focus on infrastructure development provides enormous business opportunity to the company. The expansion of the company's operations into mining service contracts, EPC execution, diversification into acquiring mining assets being high yielding long term valuable assets as a means of leveraging of company's technical capability and to enhance shareholder's value, can provide vast opportunities of growth and creation of long term revenue stability of operations. Artefact envisages building a portfolio of viable quality assets and profitable consultancy contracts.

#### **THREATS faced by Artefact include:-**

Competition in businesses is a threat. The legal impediments created for projects have an impact on development of service sector. Availability of skilled manpower could also be a threat with growing opportunity in the sector.

### RISKS AND CONCERNS:

Consultancy organizations develop and strengthen themselves with joint ventures and consortiums for specialized expertise. There is a risk that the Company may spread too thin on many verticals of sector. Hence, Artefact proposed to focus on its



core strength in highways, mining projects, urban infra to lower risks involved to only those sectors where it has good domain expertise.

Projects execution risks also may adversely affect the continuity of services. However, the Company bids continuously for projects in spread out geographical areas where these risks are minimal.

A large working capital cycle and slow recovery of debts is also an area of concern, which is addressed by a management intervention to reduce the risks thereof.

### INTERNAL CONTROLS AND THEIR ADEQUACY:

Your Company has adequate internal control systems commensurate with the size of its business across various profit and cost centers.

Defined roles and responsibilities and delegation of powers for all managerial positions have been well documented and institutionalized. Regular internal audits and checks are conducted by the internal Auditors firms of Chartered Accountants, The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements.

A comprehensive Management Information System covers major operating parameters and is monitored regularly. Any material change in the business outlook is considered by the Board of Directors. Material deviations from planning and budgeting are reviewed on a quarterly basis by the Board of Directors for corrective actions.

### SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED:

(₹ in Lacs)

Particulars	Consolidated	
	For the year ended 31.03.2014	For the year ended 31.03.2013
	Audited	Audited
<b>1) Segment Revenue</b>		
a: Segment - Project Management Consultancy	2033.95	1412.54
b: Segment - EPC Contracts/Project Development	1517.02	2181.73
c: Mining Services	385.90	472.02
<b>Total</b>	<b>3936.87</b>	<b>4066.29</b>
Less: Intersegment Revenue	304.25	230.00
<b>Net Sales/Income from Operations</b>	<b>3632.62</b>	<b>3836.29</b>
<b>2) Segment Results</b>		
Profit before tax and before interest from each segments		
a: Segment - Project Management Consultancy	384.79	457.14
b: Segment - EPC Contract	327.98	73.81
c: Mining	(0.01)	167.78
<b>Total</b>	<b>712.76</b>	<b>698.73</b>
Less: (i) Finance cost	434.90	340.16
(ii) Other Unallocable Expenditure	186.46	133.20
(iii) Unallocable Income	162.26	41.73
<b>Total Profit before Tax</b>	<b>253.66</b>	<b>267.09</b>
<b>3) Capital Employed (Segment Assets-Segment Liabilities)</b>		
a: Segment - Project Management Consultancy	2004.65	1913.61
b: Segment - EPC Contract	522.47	383.57
c: Mining	905.79	849.63
d: Unallocated	364.14	552.34
<b>Total</b>	<b>3797.05</b>	<b>3699.15</b>

Notes: Segments have been identified in line with the Accounting Standard on Segment Reporting (AS 17).



### Net Worth:

As on 31<sup>st</sup> March, 2014, the Net Worth of the Company stood at ₹ 3796.14 Lacs. The Book value of the equity shares of the company stood (at ₹ 68.71/-) per share.

### Secured Loans:

Total Secured Loans of the Company stood at ₹ 2212.16 Lacs as against ₹ 2213.12 Lacs for the previous year. This mainly comprised of Bank Term loan of ₹ 941.13 Lacs, Bank working capital Limits of ₹ 1264.09 Lacs and overdraft against fixed deposit of ₹ 6.94 Lacs.

### Fixed Assets:

The gross block of fixed assets stood at ₹ 3236.18 Lacs as against ₹ 3094.521 Lacs for the previous year. The increase is mainly on account of Furniture & Plants & Equipments on account of opening of new project sites.

### Current Assets: Sundry Debtors:

Sundry Debtors stood at ₹ 3064.52 Lacs, being an increase of about 26.99% for the year, due to mainly the last quarter billing being outstanding. However a large part the debt was recovered in subsequent quarter. With majority of clients being of Government/ PSU Clients, their procedural set-up, the nature of the revenue and the formal approval based recovery makes it imperative to sustain higher levels of Sundry Debtors and receivables. The Company though continues to make vigorous efforts to reduce the level of debtors.

### Cash & Bank Balances:

The Cash and Bank Balances stood at ₹ 414.91 Lacs mainly consisting of fixed deposits in banks, being margins for Bank guarantees issued by the company.

### Loans & Advances:

Loans and advances stood at ₹ 1576.02 Lacs (Previous year ₹ 1529.74 Lacs). This Consists of Loans & Advances to related parties ₹ 149.38 Lacs, Deposits ₹ 77.74 Lacs, Balance with revenue authorities ₹ 916.43 Lacs & others ₹ 432.47 Lacs.

### Current Liabilities & Provisions:

The current liabilities and provisions stood at ₹ 4120.81 Lacs (previous year ₹ 2702.80 Lacs). This mainly consists of Trade Payables of ₹ 983.98 Lacs.

### Human Resources and Industrial Relations:

The Company continues to place significant importance on its Human resources and enjoys cordial relations at all level.

The Performance Management System has undergone considerable improvement and has enabled sharpening of the process of setting Goals and Major Initiatives.

During the year, the organization structure of all key functions have been reviewed and strengthened so as to facilitate delivery of business goals.

The Company has adopted Accounting Standard-15 issued by ICAI and also made provisions of retirement benefits accordingly.

At the end of the Year 2013-2014, the break-up of Human Resource was employment of 198 Professional and 56 Senior Staff total being 254.

### Cautionary Statement:

Statement in this Management Discussion and Analysis report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' with the meaning of applicable laws and regulations. Actual results might differ.





## REPORT ON CORPORATE GOVERNANCE

### Company's Philosophy on Corporate Governance

Good governance is a systemic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibilities. Core values of 'Artefact Projects Limited' are based on integrity, respect for the law and compliance thereof, emphasis on quality services and a caring spirit.

The Company continues to focus its resources, strengths and strategies to achieve its vision to become a true leader in infrastructure services, while upholding the core values of excellence, integrity, responsibility, unity and understanding. The Company also focuses on the need to provide a sustainable competitive return for our investors.

In compliance with the disclosure requirement of Clause 49 of the Listing Agreement; the Directors thereby present the Company's report on Corporate Governance for the year ended 31<sup>st</sup> March, 2014.

### BOARD OF DIRECTORS:

#### a) Composition:

The Company is having an optimum combination of Executive and Non-Executive / Independent Directors with not less than fifty percent of the Board comprising of Independent Directors in compliance of Clause 49 of the Listing Agreement.

As on 31<sup>st</sup> March, 2014, the Board consists of 8 (Eight) Directors, 5 (Five) of them are Independent Directors and 3 (Three) are Executive Directors. The composition of the Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchange.

None of the Independent Directors has any other material pecuniary relationship or transaction with the Company, its Promoters, its Directors or its senior management personnel, which would affect their independence.

#### b) Board Meeting Procedures:

Minimum four Board Meetings are scheduled in a year. Meetings are usually held at the Company's Registered Office at "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015. The agenda for the Board Meeting is prepared in consultation with Chairman, Directors and other senior managerial personnel. The agenda for the meetings of the Board and Committees is circulated well in advance of the meeting.

At the meeting of the Board, presentations on finance & accounts, industry outlook, business development opportunities and initiatives, statutory compliances etc. are being presented. Apart from the Company information, the status of Subsidiary Company is also discussed and noted. This includes financial statements, minutes of the board meetings, investments, bid submission for new projects, corporate developments, business plans, any JV agreement, if any entered into etc.

Information placed before the Board of Directors, *inter alia*, includes:

- Quarterly/Half yearly/Annual results of the Company.
- Short-term investment of surplus funds, if any.
- Minutes of Board Meeting of the Subsidiary Company and its updates.
- Major investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances etc., planned and executed.
- Status of bidding for new projects.
- Status of ongoing projects.
- Award of contracts.
- Any material default in financial obligations to and by the Company, or substantial non-payment for services by the Company, if any.
- Annual operating plans and Capital Budgets.
- Annual Accounts, Directors' Report etc.
- Show cause, demand, prosecution notices and penalty notices, which are materially important.
- Information relating to major legal disputes.
- Minutes of meetings of Audit Committee and other Committees of the Board.



- Details of any Joint Venture or Collaboration Agreement.
- The information on recruitment and promotion of Senior Officers to the level of Executive Director.
- Fatal or serious accidents, dangerous occurrences etc, if any.
- Disclosure of Interest by Directors about directorship and committee positions occupied by them in other companies.
- Compliance Certificate of any regulatory / statutory nature.
- Non-compliance of any regulatory, statutory or listing requirement and shareholders service, if any.
- Other materially important information.

**c) Attendance at the Board Meetings and the last Annual General Meeting:**

During the year under review, the Board of Directors met 4 (four) times viz. 28<sup>th</sup> May, 2013; 13<sup>th</sup> August, 2013; 14<sup>th</sup> November, 2013 and 13<sup>th</sup> February, 2014.

The details of composition and category of Directors, their attendance at each Board Meeting and at the last Annual General Meeting (AGM) along with the number of Directorships and Memberships / Chairmanships held in various Committees, in other Public companies as on 31<sup>st</sup> March, 2014 is given below:

Name of Director and Designation	Board Meetings		Attendance at A. G. M. held on 27 <sup>th</sup> Sept., 2013	No. of Directorships and Committee Membership / Chairmanship held in other Public Companies other than Artefact Projects Limited			
	Held	Attended		Listed	Unlisted	Committee Membership	Chairmanship
<b>Mr. Manoj B. Shah*</b> Managing Director, Promoter	4	4	YES	---	---	---	---
<b>Mr. Pankaj B. Shah*</b> Whole-time Director, Promoter	4	4	YES	---	1	---	---
<b>Mr. Siddharth P. Shah**</b> Whole-time Director	3	3	YES	---	---	---	---
<b>Mr. Mohandas S. Adige***</b> Independent Director	4	2	NO	5	2	8	1
<b>Mr. Ashok P. Mehta</b> Independent Director	4	3	YES	---	---	---	---
<b>Mr. Girish R. Dhabalia</b> Independent Director	4	2	NO	---	---	---	---
<b>Mr. Deepak B. Mehta</b> Independent Director	4	3	YES	---	1	---	---
<b>Mr. Sandeep M. Batta</b> Independent Director	4	4	YES	---	2	---	---

\* Mr. Manoj B. Shah and Mr. Pankaj B. Shah are brothers and related to each other.

\*\* Mr. Siddharth P. Shah and Mr. Pankaj B. Shah are related to each other.

Mr. Siddharth P. Shah was appointed as an Whole-Time Director w.e.f. 6<sup>th</sup> July, 2013

\*\*\* Re- Designated as Independent Director w.e.f. 28<sup>th</sup> May, 2013.

**Note:**

1. Directorships in respect of Private Limited companies, Section 25 companies and Foreign companies have not been included.
2. Position in Audit Committee and Shareholders' Grievance Committee are considered for the purpose excluding those held in Artefact Projects Limited.
3. None of the Director is a member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49) across all the companies in which they are directors.



## COMMITTEES

With an objective of efficient and smooth operations, the Board has constituted various Committees. These committees are responsible to decide upon and execute various routine day-to-day matters and such other decisions as the Board may authorize. The draft minutes of the proceedings of each Committee meeting duly initialed by the Chairman of the respective Committee Meeting are circulated to the members of that Committee for their comments and thereafter, confirmed by the respective Committee in its next meeting. The Chairman, quorum and the terms of reference of each committee has been approved by the Board.

Currently the Company has the following Board Committees:

- i) Audit Committee
- ii) Shareholders' / Investors' Grievance Committee  
(now known as Stakeholders' Relationship Committee)
- iii) Ad-hoc Committee
- iv) Remuneration Committee  
(now known as Nomination & Remuneration Committee)

In addition to the aforesaid committees, the Company also has following committees:

- i) Borrowing Committee
- ii) Management Committee

### A) BOARD COMMITTEES:

#### i) AUDIT COMMITTEE:

The Company has an Audit Committee constituted in terms of Clause 49 of the Listing Agreement which exercises the powers and discharges the functions as stipulated in the said Clause 49 of the Listing Agreement. The Audit Committee also undertakes and reviews such other matters as may be delegated by the Board from time to time.

As on 31<sup>st</sup> March, 2014, the Audit Committee comprises of four Independent Directors and one Executive Director. All the Members of Audit Committee are qualified, comprising a financial literate and having sound insight to interpret and understand the financial statements.

The key elements of processes used by the Audit Committee to review the effectiveness of the system of Internal Control include –

- Discussion with management on risk areas identified by management auditors in the audit process.
- The review of internal and external audit plans.
- The review of significant issues arising from internal and external audit.
- The review of significant risk & threats reported by the management committee.

#### a) Role of Audit Committee:

1. Discussion with Auditors periodically about internal control systems and the scope of audit including observations of the auditors.
2. (a) Review of the quarterly, half yearly and annual financial statements before submission to the Board, focusing primarily on:
  - i. Any changes in accounting policies and practices, if occurred.
  - ii. Qualifications in draft audit report, if any.
  - iii. Significant adjustments arising out of audit, if any.
  - iv. The going concern assumption.
  - v. Compliance with accounting standards.
  - vi. Compliance with Stock Exchange and legal requirements concerning financial statements.



- vii. Any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of Company at large.
  - viii. Preparation of Directors Responsibility statement to be annexed to the Boards Report.
  - ix. Major accounting entries involving estimates based on the exercise of judgment by Management.
- (b) Review and take on record the un-audited quarterly/half yearly and annual results of the Company before submission to the Board.
3. Review compliance of Internal Control Systems.
  4. Overview the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  5. Recommending to the Board the appointment, re-appointment and removal of statutory auditors and recommending the fixation of audit fees of statutory auditors and approval for payment for other services, if any.
  6. Reviewing with the Management, external and internal auditors and the adequacy of internal control system.
  7. Reviewing with the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the officials heading the department, reporting structure coverage and frequency of internal audit.
  8. Discussion with internal auditors any significant findings and follow-up thereon.
  9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control system of a material nature and reporting the matter to the Board.
  10. Discussion with external auditors before the audit commences with respect to the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
  11. Approval of appointment of CFO after assessing the qualifications, experience and background, etc of the candidate.
  12. Reviewing the Company's policies.
  13. To look into the reasons for any major defaults in the payments to the depositors, debenture-holders, shareholders (in case of non- payment of declared dividends) and creditors, if any.
  14. Reviewing with the Management, the statement of uses/application of funds raised through an issue (public Issue, Rights Issue, Preferential Issues etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public/rights issue and making appropriate recommendation to the Board to take up steps in this matter.
  15. Reviewing compliances with respect to the Company's Whistle Blower Policy.
  16. Carrying out any other function as delegated by the Board of Directors.

**b) Review of information by Audit Committee:**

The Audit Committee mandatorily reviews the following information:

- i. Management Discussion and Analysis of financial conditions and results of operations.
- ii. Statement of significant related party transactions submitted by Management.
- iii. Management letters/letters of internal control weaknesses issued by the Statutory Auditors.
- iv. Internal Audit Reports relating to internal control weaknesses.
- v. The appointment/re-appointment/ removal and terms of remuneration of the internal auditor.

**c) Composition of Audit Committee, Meetings and Attendance:**

The Composition of Audit Committee is in compliance with Clause 49 of the Listing Agreement. During the year 2013-14, the members of the Committee met four (4) times on 28<sup>th</sup> May, 2013, 13<sup>th</sup> August, 2013, 14<sup>th</sup> November, 2013, 13<sup>th</sup>



February, 2014. As stipulated the gap between two committee meetings did not exceed four months. During the year under review, the composition and attendance of members of the Committee was as follows:

Name of Member	Chairman/Member	No. of Meetings	
		Held	Attended
Mr. Sandeep M. Batta	Chairman	4	4
Mr. Mohandas S. Adige	Member	4	2
Mr. Pankaj B. Shah	Member	4	4
Mr. Deepak Mehta	Member	4	3
Mr. Ashok P. Mehta	Member	4	3

The Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting held on 27<sup>th</sup> September, 2013.

**ii) Stakeholders' Relationship Committee (now known as Stakeholders' Relationship Committee):**

The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> June, 2014, had re-christened the Shareholders' / Investors' Grievance Committee as the Stakeholders' Relationship Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

**a) Terms of reference:**

The Company has formed a Stakeholders' Relationship Committee with the following terms of reference:

- Ensure redressal of the shareholders' and investors' complaints relating to transfer of share, non-receipt of Balance Sheet etc.;
- Ensure proper controls at Registrar and Share Transfer Agents;
- Review movement in shareholdings profile.
- Approve transfers, transmissions, issue of duplicate certificates, transpositions, change of names etc., and to do all such acts, deeds, matters and things as connected therewith.

The minutes of the Committee are circulated to the Board for their noting.

**b) Composition of the Committee, meetings & attendance:**

The Composition of the Committee is in compliance with Clause 49 of the Listing Agreement. During the year 2013-14, the Committee met four times on 29<sup>th</sup> June, 2013, 30<sup>th</sup> September, 2013, 31<sup>st</sup> December, 2013 and 31<sup>st</sup> March, 2014. During the year under review, the composition & attendance of members of the Committee was as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Sandeep M. Batta	Chairman	4	4
Mr. Pankaj B. Shah	Member	4	4
Mr. Manoj B. Shah	Member	4	4
Mr. Deepak Mehta	Member	4	4

The Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. His address and contact details are given below:

**c) The Committee deals in matters relating to:**

- Transfer and Transmissions of shares
- Issue of Duplicate Share Certificates
- Review of Dematerialized shares



- Redressal of Shareholders' grievances
- Other matters related to shares etc.

**d) Status of Investors' Complaints:**

At the beginning of the period on 01.04.2013	Received during the period	Resolved during the period	Pending
-	3	3	-

During the year, the Company recorded no transfer of shares and there were no transmission of shares of the Company. There were no share transfers pending for registration for more than 15 days as on 31<sup>st</sup> March, 2014.

**e) Name of Compliance Officer:**

Mr. Lucky Popli is a Compliance officer of the Company.  
Address: Artefact Towers, 54/3, Chhatrapati Square,  
Wardha Road, Nagpur 440015  
Phone: 0712 - 3025120  
Email: shareholders@artefactprojects.com

**iii) AD-HOC COMMITTEE:**

**a) Terms of Reference:**

To take care of the day-to-day operations and smooth functioning of the Company, the Board of Directors has formed an Ad-hoc Committee. The main function of the committee is to authorise the day to day transactions for carry on smooth operations of the Company.

**b) Composition, Meeting and Attendance:**

During the year under review, the Committee met ten times on 01<sup>st</sup> April, 2013, 02<sup>nd</sup> May, 2013, 08<sup>th</sup> May, 2013, 25<sup>th</sup> July, 2013, 11<sup>th</sup> October, 2013, 31<sup>st</sup> October, 2013, 11<sup>th</sup> December, 2013, 01<sup>st</sup> January, 2014, 08<sup>th</sup> March, 2014, 26<sup>th</sup> March, 2014. The attendance of members of the Committee was as follows:

Name of Member	Chairman / Member	No. of Meetings	
		Held	Attended
Mr. Manoj B. Shah	Chairman	10	10
Mr. Pankaj B. Shah	Member	10	10
Mr. Sandeep M. Batta	Member	10	10
Mr. Deepak Mehta (appointed w.e.f. from 01st January, 2014)	Member	3	3

**iv) REMUNERATION COMMITTEE (now known as Nomination & Remuneration Committee):**

The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> June, 2014, had re-christened the Remuneration Committee as the Nomination and Remuneration Committee, to comply with the provisions of Section 178 of the Companies Act, 2013 (the Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (the Rules).

**a) Terms of Reference:**

The broad terms of reference of the Nomination & Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director / Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

**b) Composition, Meeting and Attendance:**

There were 4 (Four) meetings held during the year 2013-14 of the Committee on 29<sup>th</sup> June, 2013, 06<sup>th</sup> July, 2013, 12<sup>th</sup> August, 2013, 13<sup>th</sup> February, 2014. The composition of members of the Committee was as follows:



Name of Member	Chairman / Member	No. of Meetings	
		Held	Attended
Mr. Sandeep Batta (Appointed as Member & Chairman w.e.f 29 <sup>th</sup> June 2013)	Chairman	4	4
Mr. Ashok P. Mehta	Member	4	4
Mr. Deepak Mehta	Member	4	4
Mr. Girish Dhabalia (Resigned w.e.f. 23 <sup>rd</sup> May 2014)	Member	1	0

The Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

**c) Remuneration Policy:**

The Remuneration Committee determines the remuneration of Executive Directors based on individual performance, qualifications and experience, Company performance, Comparable Industry practices etc.

**d) Details of Remuneration paid, No. of Shares held by directors as on 31<sup>st</sup> March, 2014:**

Name of Director	Salary* (₹)	Sitting Fees (₹)	Commission (₹)	No. of Equity Shares held
Mr. Manoj B. Shah	27,47,250	-	-	7,00,600
Mr. Pankaj B. Shah	27,77,250	-	-	7,47,550
Mr. Siddharth P. Shah	4,41,935	-	-	-
Mr. Mohandas Adige	-	-	-	100
Mr. Ashok Mehta	-	-	-	-
Mr. Girish R. Dhabalia	-	-	-	1000
Mr. Deepak Mehta	-	-	-	-
Mr. Sandeep M. Batta	-	-	-	-
<b>Total</b>	<b>59,66,435</b>	-	-	<b>14,49,250</b>

\* Salary includes perquisites

**B) OTHER COMMITTEES:**

**i) BORROWING COMMITTEE**

**a) Terms of reference:**

The Committee has been formed to ensure that the borrowings of the Company from Banks, Financial Institutions are borrowed at competitive costs by the Company. It reviews the financial assets and liabilities framework of the Company and prepares and updates for the Board's approval financial asset and liability risk management guidelines. It is free to appoint outside counsel.

**b) Composition, Meeting and attendance:**

During the year under review, the Committee met four times on 01<sup>st</sup> April, 2013, 08<sup>th</sup> May, 2013, 01<sup>st</sup> January, 2014, 03<sup>rd</sup> February, 2014. The attendance of members of the Committee was as follows:

Name of Member	Chairman/Member	No. of Meetings	
		Held	Attended
Mr. Manoj B. Shah	Chairman	4	4
Mr. Mohandas S. Adige	Member	4	2
Mr. Chetan B. Shah	Member	4	4
Mr. Deepak Mehta	Member	4	4

**ii) MANAGEMENT COMMITTEE****a) Terms of reference:**

The Management Committee was constituted to ensure guidance in terms of providing strategic direction to the Company and be architect of pursuing growth of the Company. The scope of the management shall be, but not limited to:

- Providing feedback to the management on performance in all aspects covering operations, planning, development and implementation of projects.
- To examine the efficiency of the existing systems and procedures laid down and suggest policy changes, if any.
- To comment on management audit aspects furtherance of corporate goals, image building, decision-making process, tapping new business and organizational goals.
- Strategize growth initiatives with the purpose of moving with market requirements.
- Add in developing a robust management structure to take on future challenges.
- Put in place a comprehensive risk management strategy.
- Advise the Board and discuss diverse issues arising from time to time.

**b) Composition, Meeting and attendance:**

During the year under review, the Committee met only once on 03<sup>rd</sup> October, 2013 and the attendance of members of the Committee was as follows:

Name of Member	Chairman / Member	Meeting Attended
Mr. Manoj B. Shah	Chairman	1
Mr. Mohandas S. Adige	Member	-
Mr. Chetan B. Shah	Member	1
Mr. Pankaj B. Shah	Member	1

**GENERAL BODY MEETINGS:****i) The details of last three Annual General Meetings of the Company are as follows :**

Date and Year	Time	Location
27 <sup>th</sup> September, 2013	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
28 <sup>th</sup> September, 2012	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
29 <sup>th</sup> September, 2011	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015

**iii) Details of Special Resolutions passed in the previous three Annual General Meetings/ Extra-Ordinary General Meetings are as under:**

Date	Purpose of Special Resolution
27 <sup>th</sup> September, 2013	<ol style="list-style-type: none"><li>Special Resolution pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (‘the Act’) for revision in remuneration payable to Mr. Manoj B. Shah, Managing Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> January, 2013.</li><li>Special Resolution pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956(‘the Act’), the revision in remuneration payable to Mr. Pankaj B. Shah, Whole time Director of the Company for a period of 3 years w.e.f. 1<sup>st</sup> January, 2013.</li></ol>





28 <sup>th</sup> September, 2012	None
29 <sup>th</sup> September, 2011	<ol style="list-style-type: none"><li>1. Special Resolution pursuant to the provisions of section 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 for the re-appointment of Mr. Manoj B. Shah as Managing Director w.e.f. 1<sup>st</sup> September, 2011 for a period of 5 years.</li><li>2. Special Resolution pursuant to the provisions of section 198, 269, 309, 310, 311 read with Schedule XIII of the Companies Act, 1956 for the re-appointment of Mr. Pankaj B. Shah as Whole time Director w.e.f. 1<sup>st</sup> September, 2011 for a period of 5 years.</li><li>3. Special Resolution pursuant to the provisions of Section 198, 269, 309(3) and 309(5B) read with Schedule XIII of the Companies Act, 1956 for the approval of waiver of excess remuneration of ₹ 22,63,505/- paid to Mr. Manoj B. Shah, Managing Director and Mr. Pankaj B Shah, Whole time Director of the Company during the financial year 2010-11.</li></ol>

### EXTRA ORDINARY MEETING:

No Extra-ordinary General Meeting was held during the year.

### POSTAL BALLOT CONDUCTED DURING THE YEAR:

No Special Resolution was proposed through Postal Ballot during the financial year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal ballot.

### DISCLOSURES:

#### i. RELATED PARTY TRANSACTIONS:

During the year under review, besides the transactions reported in Notes to Accounts to the Balance Sheet as at 31<sup>st</sup> March, 2014, there were no other related party transactions with its promoters, directors and management.

#### ii. DISCLOSURE OF ACCOUNTING TREATMENT:

In the preparation of the financial statements, the Company has followed the accounting standards referred to in sub-section (3C) of section 211 of the Company Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.

#### iii. DISCLOSURE OF RISK MANAGEMENT:

The Company has initiated the risk assessment and minimization procedure.

#### iv. COMPLIANCE BY THE COMPANY:

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities. The Company has paid the listing fees for the year 2014-15 to BSE Limited.

#### v. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS:

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision-making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.



**vi. AUDITS AND INTERNAL CHECKS:**

M/s. Chaturvedi & Shah, Chartered Accountants, based at Mumbai, one of India's leading audit firms and a member of the Nexia's Global network of independent accounting and consulting firms and M/s. Naresh Patadia & Co., Chartered Accountants based at Nagpur are Joint Statutory Auditors of the Company.

The Company has an Internal Audit Department to monitor and ensure that the Company is following high standards of conduct in accounting methods and procedures complying with legal, statutory and regulatory requirements.

**vii. SUBSIDIARY COMPANY MONITORING FRAMEWORK:**

Artefact Projects Limited Wholly Owned Subsidiary Company, 'Artefact Infrastructure Limited' is managed by its Board having the rights and obligations to manage in the best interest of its stakeholders. The Company monitors performance of subsidiary company, *inter alia*, by the following means:-

Financial statements, in particular the investments made by the subsidiary company, are reviewed quarterly by the Audit Committee of the Company. All minutes of Board meetings of the subsidiary company are placed before the Company's Board regularly. A statement containing all significant transactions and arrangements entered into by the subsidiary company is placed before the Company's Board.

'Artefact Infrastructure Limited' is a materially unlisted wholly owned subsidiary company.

**viii. CODE OF CONDUCT:**

The Board has adopted a Code of Conduct for all Board members and senior management of the Company. Under this code, the Board Members and Senior Managers have to observe the highest standards of ethical conduct and integrity and work to the best of their ability and judgment. The Code of Conduct has been posted on the Company's website. All the Board members and senior management personnel affirmed the compliance with the Code. The declaration of the CEO to this effect is disclosed under CEO & CFO Certification as an Annexure to this Annual Report.

**ix. RISK MANAGEMENT:**

Risk management is a critical component of corporate governance. It is recognized as a key business process within both the private and public sector around the world for planning and decision-making.

Your Company has created a separate risk management policy for different departments depending upon the nature of work. The risk management includes internal as well as external risk factors. The company's risk management policy is as below:

1. The Company aims to use the best practice in risk management to support and enhance the activities, in all areas of the organization.
2. The Company will ensure, to make risk management as an integral part of all the decision-making processes.
3. The Company will use a structured risk management program to minimize reasonably foreseeable interruption to operations, harm to human resource and damage to the environment and property of the company.
4. The Company will identify the risk exposures and will take advantage of opportunities as well as minimize the adverse effects.
5. The Company will train its employees to effectively implement organization wide risk management policy.
6. The Company will strive to continually improve and update the risk management practices.

**x. VIGIL MECHANISM:**

Pursuant to provisions of Sec. 177 (9) of Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, necessary steps have been taken for the adoption of Vigil Mechanism policy, although the Company has not adopted any formal Vigil Mechanism Policy. However, the Company has not denied access to any personal to approach the Audit Committee.



**xi. CODE ON INSIDER TRADING:**

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board has approved the “Code of Conduct for Prevention of Insider Trading”. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information.

Under this Code, Insiders (Officers and Designated Employees) are prevented to deal in the Company’s shares during the closure of Trading Window. To deal in Securities, beyond limits specified permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, wherever necessary.

**xii. MEANS OF COMMUNICATION TO SHAREHOLDERS:**

Your Company disseminates timely information about its operations, business, and financial performance to stock exchanges, media, shareholders, analysts and society at large. The Quarterly/Half yearly results were announced within 45 days of the end of each quarter while the audited results for the year ended 31<sup>st</sup> March, 2014 was announced within 60 days of the end of the year on 29<sup>th</sup> May, 2014. The Financial Results were published in The Indian Express (English) and Loksatta (Marathi). The particulars of your Company, its business and operations are available on the corporate website [www.artefactprojects.com](http://www.artefactprojects.com).

Regular updates and developments impacting the business and financials together with data on shareholding pattern etc. are also notified to the BSE Limited.

Shareholders can contact Compliance Officer through e-mail on [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com).

The Management Discussion and Analysis is a part of this Annual Report.

**In Pursuance of the Clause 49 (IV) (G) of the Listing Agreement details of directors seeking re-appointment at the ensuing Annual General Meeting are as follows:**

1) **Mr. Pankaj B Shah**, aged 51 years is an Engineer and a Technocrat Entrepreneur with flair of Project Management. He has more than 24 years of Professional standing and experience. As a Managing Partner of Artefact Marketing he has provided specialized engineering services to various reputed Public and Private Sector Organizations. The services included Water Supply, Hydraulics, Mechanical Engineering, Valves and Pipe Lines installation, Commissioning and Technical Consultancy and he is very well versed with Business Development and dealing with Government Authorities and PSU’s. He has a wide experience in co-ordination and overall Management of numerous Urban Infrastructure Projects including Highway & Roads.

He has also contributed to Projects in the field of Engineering, Hydraulics, Mechanical Engineering, Systems Development, Project Monitoring, Business Re-engineering Studies, Techno-economic Feasibility Studies, Project Report - Preparation, Cost Rationalization studies, Project Development, Export Marketing, etc. He has core experience in Design, Planning, Organizing, Monitoring and Management of Infrastructure projects.

He is instrumental in the winning of various Global Design Competition awards by Artefact.

Besides holding Directorship in Artefact Projects Limited, he is also Director in Cleon Infrastructure Private Limited, Glowide Infrastructure Private Limited, Sanskar Vikas Foundation, Valecha Badwani Sendhwa Toll Ways Ltd., Koradi Minerals Private Limited. He is a member of Audit, Management, Shareholder and Ad-Hoc Committees of the Company.

As on 31<sup>st</sup> March, 2014, he holds 747550 Equity Shares of the Company.

2) **Mr. Sandeep Batta**, a Fellow Chartered Accountant, aged 52 years has experience of working as Financial Expert for Project Development. He has rendered specialized services in the areas of Project Management Structuring as Financial Advisor, Financial Structuring, Contract & Bid Management, Feasibility, Project Viability Study, Traffic Economic Studies, Evaluation of Proposals, Assistance in Contract Award, Preparation of Project Information Memorandum & Financial Appraisal of Projects, for numerous Infrastructure Projects including Highway Projects. He also has wide exposure in the field of Accounts, Finance and Taxation. He has experience of listing and Public Issue Management,



Private Placement, Investors Servicing Mechanism, Resource Mobilization, all aspects of public issue /private placement.

Mr. Sandeep Batta has experience in Training with modern and in Computerized Environment, Financial Analysis, Sensitivity Analysis, Projection Tools, Macro Economic Forecasting Parameters etc. He had received trainings and attended various Seminars and Workshops at CII, FICCI, ICAI, etc. for various Infrastructure Development Policies and programs.

Besides holding Independent Directorship in Artefact Projects Limited, he is also a Non-Executive director in Vidarbha Holdings Limited, Independent director in Artefact Infrastructure Limited. He is a member of Audit, Remuneration, Shareholder, and Ad-Hoc Committees of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company

- 3) **Mr. Ashok Mehta**, aged 51 years is a Graduate in Mining, M. Tech in Industrial Engineering & Management and Post Graduate in Industrial Relations & Personnel Management. He has experience of more than 10 years at Board Level including Chief Executive in Central PSU and has worked as Director Personnel (HRD) of a Coal Company having employee strength over One Lakh. He also possesses wide experience of handling multi unions and wages negotiation of over a period of 20 years. He has been Chairman / Managing Director of two Coal Companies and has developed various strategies, formulated revival plan to wipe out losses which was accepted by the BIFR and duly approved by the Government.

He does not holding directorship in any other Company. He is a member of Audit and Remuneration Committees of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company.

- 4) **Mr. Deepak Mehta**, aged 56 years is Master in Science from Delhi University. He joined National Defense Academy in June, 1991. Mr. Mehta served Indian Army as a Colonel during the period from June, 1998 to November, 2004. During his period in Indian Army, he held important HQ postings and was responsible for drafting answers to Parliament Questions at Delhi as well as he trained budding young officers of the Army. He has also worked as a Chief Executive of Arneja Heart Institute; Nagpur. He was also responsible for HR and Administration department of the hospital and Non Invasive Investigations. He has vast skills of effective administration, human resource development and operations and maintenance at project level. Besides this, he is a National golfer and National gymnast.

He is also an Independent in Artefact Infrastructure Limited. He is also the member of Audit Committee, Remuneration Committee, Ad-Hoc Committee, Borrowing Committee, and Shareholder / Investor Grievance Committee of the Company.

As on 31<sup>st</sup> March, 2014, he does not hold any share of the Company.

- 5) **Mr. Mohandas Adige**, aged 63 years is a Metallurgical Engineer from Banaras Hindu University with post-graduation studies at the Sheffield University, UK and Diploma in Operations and Financial Management from Jamnalal Bajaj Institute of Management Studies, Bombay University.

He has experience of 38 years in Industry in various capacities in the functional areas including Project Management. He has travelled to various countries for training, business development, technology transfer, purchase of capital equipment, international seminars. He has been an active member of Confederation of Indian Industry (CII), other Industry associations & NGO's. He has extensively networked with government bodies, financial institutions & academic institutions. His contribution to the Company as a professional engineer and management expert is of immense value for future growth.

He is also director in Nagpur Power & Industries Limited, Birla Precision Technologies Limited, Faiz Super Alloys Private Limited, Birla Shloka Edutech, Limited, Melstar Information Technologies Limited, Birla Energy Infra Limited, The Motwane Manufacturing Company Pvt. Ltd., Facor Steels Limited, Birla Edutech Limited, AHG Metal Endustri Urunleri Ticarete VeSanayi, Istanbul, Turkey (incorporated in turkey). He is also the member of Audit Committee, Borrowing Committee, and Management Committee of the Company.

As on 31<sup>st</sup> March, 2014, he holds 100 Equity Shares of the Company.



**ADDITIONAL SHAREHOLDERS INFORMATION:**

**1. Unclaimed Dividends:**

Pursuant to Section 124 of the Companies Act, 2013 read with Companies (Declaration & Payment of Dividend) Rules, 2014, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors Protection Fund established by the Central Government and no claims lie against the said fund or the Company for the amount of dividend so transferred to the fund. The unclaimed Dividend as on 31<sup>st</sup> March 2014 is Rs. 4,86,614/-

**2. National Electronic Clearing Services (NECS) for payment of Dividend:**

To avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of NECS facility-where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. The NECS application form can be obtained either from Registrars Office or from the Registered Office of the Company.

Shareholders located in places where NECS facility is not available may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

**3. Shares held in Electronic Form:**

Shareholders holding shares in electronic form may note that:

- Instructions regarding bank details to be detailed on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by the depositories to the Company.
- Instruction regarding change of address, nomination, and power of attorney should be furnished directly to the depository participants. The Company has no authority to entertain any such request directly from the shareholders.
- The Company provides NECS facility for shares held in electronic form and for reasons mentioned earlier, shareholders may wish to avail of this facility.

**4. Service of documents through electronic mode:**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company’s Registrar and Share Transfer Agents, Link Intime India Private Limited or to the Company at “shareholders@artefactprojects.com”.

**GENERAL SHAREHOLDERS INFORMATION:**

(a) Annual General Meeting: Date: Time: Venue:	Monday 29 <sup>th</sup> September, 2014 11.00 AM “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015
(b) Financial Calendar (Tentative):	Result for the quarter ended 30 <sup>th</sup> June, 2014 - On 13 <sup>th</sup> August, 2014 Result for the quarter ending 30 <sup>th</sup> September, 2014 - By 14 <sup>th</sup> November, 2014 Result for the quarter ending 31 <sup>st</sup> December, 2014 - By 14 <sup>th</sup> February, 2015 Audited Result for the quarter and year ending 31 <sup>st</sup> March, 2015 - By 30 <sup>th</sup> May, 2015 (Audited)
(c) Book Closure Date:	From 24 <sup>th</sup> September, 2014 to 29 <sup>th</sup> September, 2014 (both days inclusive)
(d) Payment of Dividend:	The Board recommended payment of final Dividend @ 7.50% (₹ 0.75 per Equity Share) for the financial year ended 31 <sup>st</sup> March, 2014.



(e) Dividend Payment Date:	Credit / dispatch between 9 <sup>th</sup> October, 2014 to 11 <sup>th</sup> October, 2014
(f) Listing on Stock Exchange:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 (The Company has paid the Annual Listing fees to the Stock Exchange for the year 2014-15)
(g) Scrip Code & ISIN:	Equity – BSE 531297 ISIN- INE885B01014
(h) Market Price Data:	As per Appendix “A”
(i) Stock performance in Comparison to BSE Sensex:	As per Appendix “B”
(j) Registrar & Share Transfer Agent:	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Road, Bhandup(West), Mumbai – 400078
(k) Distribution of shareholding & Shareholding pattern:	As per Appendix “C”
(l) Transfer System:	All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents (RTA) within 15 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.
(m) Dematerialization of shares:	53,15,091 equity shares which are about 96.20% of the paid up capital as on 31 <sup>st</sup> March, 2014 have been dematerialized.
(n) Conversion of Share Warrants:	Nil
(o) Plant Location:	Nil
(p) Address for the correspondence: Company:	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 Tel: # 91 - 712 - 3025 120 / 157 Fax: # 91 - 712 - 3025 128 Email: <a href="mailto:shareholders@artefactprojects.com">shareholders@artefactprojects.com</a> ; <a href="mailto:artefactnagpur@gmail.com">artefactnagpur@gmail.com</a>
(q) Outstanding ADRs, GDRs or any convertible instruments, conversion date and impact on Equity:	Your Company has not issued any ADRs, GDRs or any convertible instruments.



APPENDIX – A

MARKET PRICE DATA

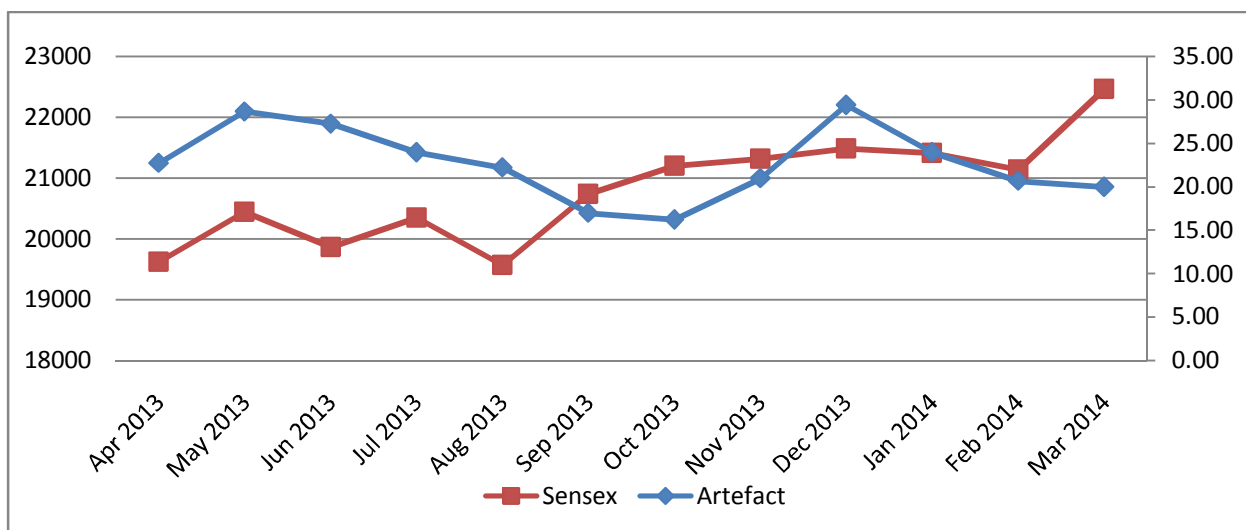
COMPANY : ARTEFACT PROJECTS LIMITED  
 SCRIP CODE : 531297

Month	Prices of shares of the Company at BSE (Rs.)*		Volume* (No. of Shares)	BSE Sensex* (Points)	
	High Price	Low Price		High	Low
Apr 2013	22.75	20.00	6726	19622.68	18144.22
May 2013	28.70	21.55	2848	20443.62	19451.26
Jun 2013	27.30	21.75	1535	19860.19	18467.16
Jul 2013	24.00	20.70	1919	20351.06	19126.82
Aug 2013	22.25	15.80	5065	19569.20	17448.71
Sep 2013	17.00	13.20	5509	20739.69	18166.17
Oct 2013	16.25	14.10	3244	21205.44	19264.72
Nov 2013	21.00	16.55	1904	21321.53	20137.67
Dec 2013	29.45	22.05	2913	21483.74	20568.70
Jan 2014	24.00	18.75	6508	21409.66	20343.78
Feb 2014	20.70	17.95	1329	21140.51	19963.12
Mar 2014	20.00	16.40	4579	22467.21	20920.98

\* Source: [www.bseindia.com](http://www.bseindia.com)

APPENDIX-B

INDEX COMPARISON





## APPENDIX-C

DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2014

Category	Number of Shareholders	Total number of Shareholders (%)	Total number of Shares	Total number of Shares (%)
1-500	1766	82.8330	295745	5.3529
501-1,000	163	7.6454	135471	2.4520
1,001-2,000	76	3.5647	114897	2.0796
2,001-3,000	43	2.0169	104712	1.8952
3,001-4,000	17	0.7974	62092	1.1238
4,001-5,000	11	0.5159	52959	0.9585
5,001-10,000	14	0.6567	111923	2.0258
10,001 & Above	42	1.9700	4647201	84.1122
<b>Total</b>	<b>2132</b>	<b>100.00</b>	<b>5525000</b>	<b>100.00</b>

SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2014

Category	No. of Shares held	Shareholding (%)
<b>Promoters Holding</b>		
1. Promoters and their relatives	30,11,400	54.50
<b>Non-Promoters Holding</b>		
2. Corporate	5,37,495	9.73
3. Individuals	15,19,385	27.50
4. HUF	2,00,800	3.63
5. NRI's/ OCB's	26,535	0.48
6. Clearing Members	2,29,385	4.16
<b>TOTAL</b>	<b>55,25,000</b>	<b>100.00</b>





## SHAREHOLDERS' REFRENCER

### At a glance:

- Face value of the Company's Equity shares is ₹10/-.
- The Company's Equity Shares are listed on BSE Limited (BSE).
- The Company's Equity Shares are under compulsory trading in Demat form only.
- Over 96% of the Company's Equity Shares are held in Demat form.
- The Company's Equity shares are freely transferable except as may be required statutorily.
- Link Intime (India) Private Limited is the Registrar & Share Transfer Agent of the Company.

### Investor Grievance Handling Mechanism:

All share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/ Power of Attorney, replacement/ split/ consolidation of share certificates, demat/ remat of shares, issue of duplicate certificates etc. are being handled by Link Intime (India) Private Limited, the Registrar and Share Transfer Agent. They also discharge investor service functions effectively, efficiently and expeditiously.

Investors are required to correspond directly with Link Intime (India) Private Limited, on all share related matters.

The Board of Directors of the Company has constituted a Stakeholders' Relationship Committee (the Committee) which inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with share transfers and other processes. The Committee also looks into the redressal of shareholders complaints related to transfer of shares, non receipt of Dividend etc. The Committee oversees the performance of the R & T Agent and recommends measures for overall improvement in the quality of investor services.

### Recommendation by Company to Shareholders/ Investors:

In pursuit of the Company's objective to mitigate / avoid risks while dealing with shares and related matters, the following are the Company's recommendations to shareholders/ investors:

- **Adoption of Green Initiative:**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.

- **Opening of Demat account and Dematerialize your shares:**

Investors should convert their physical holdings of shares into demat holdings. Holding shares in demat form helps investors to get immediate transfer of the shares. No stamp duty is payable on transfer of shares held in demat form and risk associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

- **Register ECS mandate and furnish correct bank account particulars with the Company/ Depository Participant (DP):**

Investors should provide an ECS mandate to the Company in case of shares held in physical form and in case of shares held in demat form ensure that the correct and updated particulars of his bank account are available with the Depository Participant (DP). This would facilitate direct credit of dividends; refunds etc. from companies to their bank account and avoid postal delays and loss in transit.



- **Fill and submit nomination form:**

Investors should register the nominations, in case of physical shares, with the Company and in the case of dematerialized shares with their DP. Nomination would help successors to get the shares transmitted in their favor without any hassles.

- **Proper updation by the shareholders:**

There is likelihood of fraudulent transfers in case of folios with no movement or where the shareholders have either expired or is not residing at the address registered with the Company. The Company / DP should be updated on any change of address or contact details.

**Course of action in case of non-receipt of Dividend, Revalidation of Dividend warrant etc.**

Shareholders may write to the Company's R & T Agent, furnishing particulars of the dividend not received and quoting the folio number (in case of shares held in physical mode)/ DP ID and Client ID particulars (in case of shares held in demat mode). The R&T Agent shall check the records and issue Demand Draft if the dividend remains unpaid in the records of the Company after expiry of the validity period of the warrant which is normally three months from the date of its issue. In case of loss of original dividend warrant the shareholders have to wait since demand draft cannot be issued till the expiry of the validity period of the original dividend warrant and the shareholder has to execute a letter of indemnity. On the expiry of the validity period if the dividend warrant is still shown as unpaid in the records of the Company, demand draft will be issued. However, demand drafts will not be issued against those shares wherein a 'stop transfer indicator' has been instituted either by virtue of a complaint or by law, unless the procedure for releasing the same has been completed.

No demand draft will be issued in respect of dividends which have remained unclaimed and unpaid for a period of seven years in the unpaid dividend account of the Company as they are required to be transferred to the Investor Education and Protection Fund constituted by the Central Government.



## DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I hereby declare that:

The Company has obtained declarations from all the members of the Board and Senior Management affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management during the financial year 2013-14.

For **Artefact Projects Limited**

Sd/-

**Manoj B. Shah**

**Chairman & Managing Director**

**Place: Nagpur**

**Date: 13<sup>th</sup> August, 2014**

## STATUTORY AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**ARTEFACT PROJECTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Artefact Projects Limited**, ("the Company") for the year ended on 31<sup>st</sup> March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chaturvedi & Shah**  
**Chartered Accountants**  
**Firm Reg.No.101720W**

Sd/-

**R. Koria**  
**Partner**  
**Membership No. – 35629**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2014

**For Naresh Patadia & Co.**  
**Chartered Accountants**  
**Firm Reg.No.106936W**

Sd/-

**Naresh Patadia**  
**Proprietor**  
**Membership No. – 35620**

Nagpur  
13<sup>th</sup> August, 2014



**CHATURVEDI & SHAH**  
*Chartered Accountants*  
912-913, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai – 400 021

**NARESH PATADIA & CO.**  
*Chartered Accountants*  
Opposite Ram Mandir,  
Tilak Road, Mahal,  
Nagpur – 440 002

## INDEPENDENT AUDITORS' REPORT

To  
**The Members of**  
**ARTEFACT PROJECTS LIMITED**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of ARTEFACT PROJECTS LIMITED (“the Company”), which comprises Balance sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Management’s Responsibility for the Financial Statements***

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles Generally Accepted in India (Indian GAAPs), including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### ***Auditors’ Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Basis of qualification:***

We refer to Note.15 of the financial statements wherein the Management of the Company has considered Trade Receivables amounting to Rs. 119,869,109/- as good and fully recoverable. In the absence of balance confirmations/reconciliations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management’s assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.

### ***Qualified Opinion***

In our opinion and to the best of our information and according to the explanations given to us and *except for the possible effects of the matter described in the basis for qualified opinion paragraph above*, the financial statements give the



information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India: -

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- ii. in the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required under provisions of section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013.
  - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Reg. No. - 101720W

**R. Koria**  
Partner  
Membership No. - 35629

Place: Mumbai  
Date: 29<sup>th</sup> May 2014

For **Naresh Patadia & Co.**  
Chartered Accountants  
Firm Reg. No. - 106936W

**Naresh Patadia**  
Proprietor  
Membership No. - 35620

Place: Nagpur  
Date: 29<sup>th</sup> May 2014



## ANNEXURE TO AUDITOR'S REPORT

**(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date to the members of Artefact Projects Limited for the year ended March 31, 2014)**

- i. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the Company has physically verified certain assets, in accordance with a phased program of verification, which in our opinion is reasonable, having regard to the size of the Company. The reconciliation exercise of assets so verified with the fixed asset register is in the process.
  - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year which has an impact on the going concern status of the Company.
- ii. In respect of its inventories:

The Company is a service company, primarily rendering Project management services. Accordingly, it does not hold any inventories. Therefore, the provisions of clause 4(ii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
- iii. In respect of loans, secured or unsecured, granted or taken by the company to or from companies, firms or other parties covered in the register maintained under section 301 of the Act:
  - a. The Company has granted interest free loan to its wholly owned subsidiary in respect of which maximum amount involved during the year was Rs. 22,303,984 and the year-end balance was Rs. Nil.
  - b. In our opinion and according to the information and explanations given to us, other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - c. As per the information and explanations given to us the above loan is repayment on demand and there is no repayment schedule.
  - d. Since there is no outstanding amount as on 31<sup>st</sup> March, 2014, the question of overdue amount does not arise.
  - e. The company has taken interest free loan from two such parties in respect of which maximum amount involved during the year was Rs. 22,579,321 and the year-end balance was Rs. 8,264,957.
  - f. In our opinion and according to the information and explanations given to us, other terms and conditions are not prima facie prejudicial to the interest of the Company.
  - g. As this loan is repayable on demand, the question of overdue amount does not arise.
  - h. Since there is no outstanding amount as on 31<sup>st</sup> March, 2014, the question of overdue amount does not arise.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of Services, fixed assets and also for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. In respect of the contracts or arrangements referred to in Section 301 of the Act:



- a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Act have been so entered.
  - b. In our opinion and according to the information and explanations given to us, these transactions made in pursuance of contracts / arrangements entered in the Register maintained under section 301 of the Act and exceeding the value of Rs. 500,000 in respect of each party during the year are of specific nature for which alternative quotations are not available and hence we are unable to comment upon.
- vi. According to the information and explanations given to us, the Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed there under are not applicable for the year under audit.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government has not prescribed the maintenance of cost records under section 209 (1) (d) of the Act in respect of Project Management Consultancy Services carried out by the Company.
- ix. According to the information and explanations given to us in respect of statutory dues:
- a. The Company has been generally regular in depositing undisputed statutory dues of provident fund, investor education and protection fund, employees' state insurance, wealth tax, custom duty, cess and any other material statutory dues with the appropriate authorities during the year however delays have been noticed in respect of service tax, income tax and sales tax. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding as at March 31, 2014 for a period of more than six months from the date they became payable except for Service Tax and Tax Deducted at source Rs 9,197,950 and Rs. 684,865 respectively.
  - b. The disputed statutory dues aggregating to Rs. 25,241,847 that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the Dues	Period to which the amount relates	Amount (in Rs.) (*)	Forum where dispute is pending
Income Tax Act	Income Tax	2004-05 to 2010-11	25,241,847	Commissioner of income Tax (Appeals)

(\*) Net of amount deposited under protest as mentioned in Note No. 26 (iii) to the financial statements.

- x. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- xi. Based on our audit procedures, information and explanations given by the management, we are of the opinion that the company as on march 31, 2014 has not defaulted in the repayment of dues to banks.
- xii. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures & other investments. The Company has maintained proper records of transactions and



contracts in respect of shares and timely entries have been made therein. All shares have been held by the Company in its own name.

- xv. According to the information and explanations given by the management, the Company has given corporate guarantee for credit facilities taken by its subsidiary company from a bank as mentioned in Note No. 26(ii) which is prima facie not prejudicial to the interest of the Company.
- xvi. The Company has not raised any new term loans during the year under audit. To the best of our knowledge and according to the information and explanations given to us the term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- xvii. On the basis of review of utilization of funds, which is based on overall examination of the Balance Sheet of the Company as at March 31, 2014, related information as made available to us and as represented to us, by the management, we are of the opinion, that funds raised on short term basis have not prima facie been utilized for long term purposes.
- xviii. The Company has not made any preferential allotment to parties and companies covered in the Register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures, hence the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xx. During the year covered by our report the Company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company was noticed or reported during the course of our audit.

For **Chaturvedi & Shah**  
*Chartered Accountants*  
Firm Reg. No. - 101720W

**R. Koria**  
Partner  
Membership No. – 35629

Place: Mumbai  
Date: 29<sup>th</sup> May 2014

For **Naresh Patadia & Co.**  
*Chartered Accountants*  
Firm Reg. No. - 106936W

**Naresh Patadia**  
Proprietor  
Membership No. – 35620

Place: Nagpur  
Date: 29<sup>th</sup> May 2014





**ARTEFACT PROJECTS LIMITED**  
**BALANCE SHEET AS ON MARCH 31ST, 2014**

Particulars	Note No.	As on March 31st, 2014		As on March 31st, 2013
		(Amount in Rs.)		(Amount in Rs.)
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
Share capital	2	55,250,000	55,250,000	
Reserves and Surplus	3	284,613,067	283,647,338	338,897,338
<b>Non-current liabilities</b>				
Long-term borrowings	4	33,269,699	87,702,217	
Deferred tax liability (Net)	5	17,199,879	11,877,467	
Other Long Term Liabilities	6	217,000	976,000	
Long Term Provisions	7	514,612	503,256	101,058,940
<b>Current liabilities</b>				
Short-term borrowings	8	97,739,598	91,530,752	
Trade payables	9	21,964,133	7,459,384	
Other current liabilities	10	159,849,845	87,687,450	
Short-term provisions	11	5,033,646	5,007,738	191,685,324
<b>TOTAL</b>			<b>675,651,479</b>	<b>631,641,602</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
<b>Fixed assets</b>				
Tangible assets	12	245,315,486	249,972,731	
Intangible assets		1,171,743	640,431	
Capital work-in-progress		-	-	
		246,487,229	250,613,162	
Non-current investments	13	104,000,000	104,000,000	
Long-term loans and advances	14	78,991,322	55,777,158	410,390,320
<b>Current assets</b>				
Trade receivables	15	183,197,904	157,507,642	
Cash and Bank Balances	16	25,624,144	16,151,333	
Short-term loans and advances	17	37,350,880	43,050,997	
Other current assets	18	-	4,541,310	221,251,282
<b>TOTAL</b>			<b>675,651,479</b>	<b>631,641,602</b>
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 35			

As per our Report of even date

For and on behalf of Board of Directors

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

Mumbai, May 29, 2014

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**NARESH PATADIA**  
Proprietor

Nagpur, May 29, 2014

Nagpur, May 29, 2014



**ARTEFACT PROJECTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2014**

Particulars	Note No.	Year Ended Mar 31st,	Year Ended March 31st,
		2014	2013
		(Amount in Rs.)	(Amount in Rs.)
Revenue from Operations (Gross)	19	222,688,480	158,714,103
Less: Service Tax recovered		19,294,298	17,460,024
Revenue from Operations (Net)		203,394,182	141,254,079
Other income	20	2,632,354	3,752,804
<b>Total Revenue</b>		<b>206,026,536</b>	<b>145,006,883</b>
<b>Expenses</b>			
Project Expenses	21	35,436,502	28,590,360
Retainers & Consultancy Fees		54,907,380	17,476,271
Employee Benefits Expenses	22	56,085,165	42,110,610
Finance Costs	23	33,697,416	32,719,588
Depreciation and Amortization Expenses	12	8,669,175	10,393,370
Other Expenses	24	9,850,588	6,947,520
<b>Total Expenses</b>		<b>198,646,226</b>	<b>138,237,719</b>
<b>Profit Before Tax</b>		<b>7,380,310</b>	<b>6,769,164</b>
<b>Tax expense:</b>			
Current tax		2,734,402	1,392,273
MAT Credit Entitlement	14.01	(1,953,074)	(1,288,418)
Deferred Tax Liabilities (Net)	5	5,322,409	2,032,258
Income Tax For Earlier Years		310,843	193,955
<b>Profit for the year</b>		<b>965,729</b>	<b>4,439,096</b>
Earnings per equity share of Rs.10 each	27		
- Basic (in Rs.)		0.17	0.80
- Diluted (in Rs.)		0.17	0.80
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 35		

As per our Report of even date  
For CHATURVEDI & SHAH  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

Mumbai, May 29, 2014

For NARESH PATADIA & CO.  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

Nagpur, May 29, 2014

**NARESH PATADIA**  
Proprietor

Nagpur, May 29, 2014

**ARTEFACT PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

<b>Particulars</b>	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	7,380,310	6,769,164
<u>ADJUSTED FOR</u>		
Depreciation and Amortization Expenses	8,669,175	10,393,370
Loss/ (Profit) on Sale of Fixed Assets (Net)	737,338	-
Loss/ (Profit) on Investment	-	200,000
Finance Costs	33,697,416	32,287,800
Interest Income	(1,048,559)	(2,441,626)
Balances written off/ written back (Net)	1,851,036	(384,823)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>51,286,716</b>	<b>46,823,885</b>
ADJUSTMENTS FOR		
Trade and Other Receivables	(16,184,151)	(29,242,533)
Trade Payables	49,557,848	25,991,284
<b>CASH GENERATED FROM OPERATION</b>	<b>84,660,413</b>	<b>43,572,636</b>
<b>Direct Taxes (Paid)/ Refund Received</b>	<b>(23,550,226)</b>	<b>(15,346,369)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>61,110,187</b>	<b>28,226,267</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Work in Progress	(5,590,768)	(4,855,215)
Sale of Fixed Assets	275,000	-
Investments in Subsidiaries	-	(36,579,000)
Interest received	1,027,767	2,230,438
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(4,288,001)</b>	<b>(39,203,777)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceed from Long Term Borrowings	-	50,000,000
Repayment of Long Term Borrowings	(19,015,502)	(14,017,834)
Short Term Loans (Net)	6,208,845	(24,750,717)
Dividend paid	(199)	(4,816,219)
Finance Costs	(34,422,747)	(31,068,562)
Margin Money (Net)	731,127	30,931,000
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(46,498,476)</b>	<b>6,277,668</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>10,323,710</b>	<b>(4,699,842)</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>3,775,497</b>	<b>8,475,339</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>14,099,207</b>	<b>3,775,497</b>



- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".
- (ii) Figures in brackets indicate Outflows.
- (iii) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

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As per our Report of even date  
**For CHATURVEDI & SHAH**  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

**Mumbai, May 29, 2014**

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**Nagpur, May 29, 2014**

**NARESH PATADIA**  
Proprietor

**Nagpur, May 29, 2014**



**ARTEFACT PROJECTS LIMITED**

**Notes on Financial Statements for the year ended March 31, 2014**

**NOTE 1**

**SIGNIFICANT ACCOUNTING POLICIES**

**1.01 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, in accordance with the generally accepted accounting principles, accounting standards issued by the Institute of Chartered Accountants Of India and the provisions of the Companies Act, 1956

**1.02 USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**1.03 REVENUE RECOGNITION**

Income from Consultancy and Infrastructure project services are recognised in accordance with the Contract/Agreement entered into. Revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes, service tax, wherever applicable. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.

**1.04 FIXED ASSETS**

Fixed Assets are stated at cost less accumulated depreciation, net of Central Value Added Tax. All costs including financing cost till the assets ready to use are capitalised.

**1.05 INTANGIBLE ASSETS**

Intangible Assets are stated at cost less accumulated amortisation. Softwares are amortised over a period of three years.

**1.06 DEPRECIATION**

Depreciation on fixed assets has been provided on Straight Line Method at the rates and in the manner specified in Schedule XIV of the Companies Act 1956. Additions, which form integral part of the fixed assets, are depreciated during the residual useful life of the asset. In respect of fixed assets whose actual cost does not exceed Rs. 5000, depreciation is provided at 100% in the year of addition. The leasehold improvements has been depreciated over the lease period.

**1.07 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

**1.08 INVESTMENTS**

Long-term investments are carried at cost. Current Investments are carried at the lower of costs and quoted/ fair value computed script wise. Provision for diminution in the value of long-term investments is made only if such decline is other than temporary.



**1.09 BORROWING COSTS**

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets (Net of income earned and deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

**1.10 EMPLOYEE'S BENEFITS**

- (i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognized as an expense on the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

**1.11 FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at year-end rates. Non-Monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

**1.12 ACCOUNTING FOR JOINT VENTURE OPERATIONS**

The financial statements reflect the share of the Company's assets and liabilities as well as income and expenditure of Joint Venture Operations which are accounted for according to the participating interest of the Company as per the various Joint Venture Agreements on a line by line basis along with similar items in the Company's financial statements.

**1.13 DERIVATIVE INSTRUMENTS**

In respect of derivative contracts, premium paid gains / losses on settlement and provision for losses, if any; are recognised in the Statement of Profit and Loss.

**1.14 PROVISION FOR CURRENT AND DEFERRED TAX**

Provision for current tax is made after taking into consideration benefits admissible under the provision of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that asset will be realized in future.

**1.15 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.16 SHARE ISSUE EXPENSES**

Share issue expenses are adjusted against the Securities Premium Account.



**NOTE 2**

**SHARE CAPITAL**

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
<b>Authorised</b>		
10,000,000 Equity Shares of Rs.10 each (Previous Year 10,000,000)	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
5,525,000 Equity Shares of Rs.10 each (Previous Year 5,525,000)	55,250,000	55,250,000
<b>Total</b>	<b>55,250,000</b>	<b>55,250,000</b>

**2.01 Reconciliation of number of shares outstanding :**

Particulars	As on Mar 31, 2014		As on March 31, 2013	
	No. of Shares	(Amount in Rs)	No. of Shares	(Amount in Rs)
Shares outstanding as at the beginning of the Year	5,525,000	55,250,000	5,525,000	55,250,000
Add: Shares Issued during the Year:	-	-	-	-
Shares outstanding as at end of the Year	<b>5,525,000</b>	<b>55,250,000</b>	<b>5,525,000</b>	<b>55,250,000</b>

**2.02 Details of Shareholders, holding more than 5% shares of Paid-up Equity Share Capital of the Company**

Name of Shareholder	As on Mar 31, 2014		As on March 31, 2013	
	No. of Shares held	% to Capital	No. of Shares held	% to Capital
Pankaj Balkrishna Shah	747,550	13.53	747,550	13.53
Manoj Balkrishna Shah	700,600	12.68	700,600	12.68
Chetan Balkrishna Shah	563,300	10.20	563,300	10.20
East & West Securities Pvt Ltd	400,000	7.24	400,000	7.24
Rupa Shah	367,350	6.65	367,350	6.65

**2.03 Rights to Equity Shareholders**

The Company has only one class of equity share having face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.



## NOTE 3

## RESERVES &amp; SURPLUS

Particulars	As on March 31, 2014		As on March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
<b>Capital Reserve</b>			
Balance as per last Balance Sheet		11,993,750	11,993,750
<b>Securities Premium Account</b>			
Balance as per last Balance Sheet		131,890,400	131,890,400
<b>General Reserve</b>			
Balance as per last Balance Sheet		11,300,000	11,300,000
<b>Surplus</b>			
Balance as per last Balance Sheet	128,463,188		128,872,072
Add: Profit For the Year	965,729		4,439,096
Add: Proposed Dividend on Equity Shares reversed	4,143,750		-
Add: Tax on Proposed Dividend reversed	704,230		-
Less: Proposed Dividend on Equity Shares*	4,143,750		4,143,750
Less: Tax on Proposed Dividend	704,230		704,230
		129,428,917	128,463,188
<b>Total</b>		<b>284,613,067</b>	<b>283,647,338</b>

\* Dividend Per Share Rupee 0.75 (Previous Year Rupee NIL).

## NOTE 4

## LONG TERM BORROWINGS

Particulars	As on March 31, 2014		As on March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
<b>Secured</b>			
Term Loans from a Bank		31,685,792	87,093,050
Vehicle Loans from a Bank		1,583,907	609,167
<b>Total</b>		<b>33,269,699</b>	<b>87,702,217</b>

4.1 Term Loans from a Bank referred to above and Rs.56,450,300 included in current maturity of long term debts in Note No.10 are Secured against Mortgage of Building and Hypothecation of other Fixed Assets, Equipments, Hardwares and Softwares. The Term loan -I, as mentioned in note 4.04, is repayable in 17 equal monthly installments (including interest) from 31st March, 2014 of Rs. 2,368,174 as per repayment schedule, ending on September 6, 2015 and carries interest @ 15.75% p.a. and Term Loan - II, as mentioned in note 4.04, carries interest @ 13.50% p.a. is repayable in 5 equal monthly intallments of Rs 10,000,000 after the period of 9 months from 31st March,2014.

4.2 The above term loans from a bank are guaranteed by some of the Directors in their personal capacity and are also Guarantee by a Company i.e. Vidharbha Holding Limited.

4.3 Vehicle Loans referred to above and Rs. 651,143 included in current maturity of long term debts in Note No.10 are secured against hypothecation of the specific vehicle financed. The vehicle loan of Rs. 235,077/- is repayable in 18 equal monthly instalments (including interest) from 31st March , 2014 of Rs. 34,570 and vehicle loan of Rs. 1,348,830/- is repayable in 58 equal monthly instalments (including interest) from 31st March , 2014 of Rs. 35,430 as per repayment schedule.

4.4 Maturity Profile of Term Loans are as under :

	Payable Within one Year	1-2 Years	2-3 Years	Beyond 3 Years
Term Loan from a Bank - I	26,450,300	11,685,792	-	-
Term Loan from a Bank - II	30,000,000	20,000,000	-	-
Vehicle Loans From Banks	651,143	538,862	335,641	709,404





NOTE 5

DEFERRED TAX LIABILITY / ASSETS (NET)

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	17,768,968	12,292,636
<b>Total</b>	<u>17,768,968</u>	<u>12,292,636</u>
<b>Deferred Tax Assets</b>		
Disallowances under Income Tax Act	569,089	415,169
<b>Total</b>	<u>569,089</u>	<u>415,169</u>
<b>Deferred Tax Liability (Net)</b>	<u><u>17,199,879</u></u>	<u><u>11,877,467</u></u>

NOTE 6

OTHER LONG TERM LIABILITIES

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
Deposit Received	217,000	976,000
<b>Total</b>	<u><u>21,7000</u></u>	<u><u>976,000</u></u>

NOTE 7

LONG TERM PROVISIONS

Particulars	As on March 31, 2014	As on March 31, 2013
Provision for Employee Benefits	514,612	503,256
<b>Total</b>	<u><u>514,612</u></u>	<u><u>503,256</u></u>

NOTE 8

SHORT TERM BORROWINGS

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Secured Loan</b>		
Working Capital Loans from Banks	89,474,641	91,530,752
<b>Unsecured Loan - From Directors (Refer Note No.32)</b>	8,264,957	-
<b>Total</b>	<u><u>97,739,598</u></u>	<u><u>91,530,752</u></u>

8.01 Working Capital Loans form Banks to the extent of:

- (i) Rs. 88,932,510/- referred to above are secured by way of hypothecation of whole of the movable properties Including Book Debts and Assets both present and future, and are further secured collaterally by mortgage of immovable properties of the Company, guaranteed by some of the directors in their personal capacity and also covered by a Corporate Guarantee of a Company i.e. Vidharbha Holding Ltd.
- (ii) Rs. 542,131 /- referred to above are secured by the Pledge of Fixed Deposit with Bank of Rs. 600,000 /-.



## NOTE 9

## TRADE PAYABLES

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Trade Payables - Micro, Small & Medium Enterprises @	-	-	-	-
- Others	21,964,133	21,964,133	7,459,384	7,459,384
<b>Total</b>		<b>21,964,133</b>		<b>7,459,384</b>

@ The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the said Act, relating to amounts unpaid as on 31st March, 2014 together with Interest paid / payable have not been given.

## NOTE 10

## OTHER CURRENT LIABILITIES

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Current Maturities of Long Term Debt		57,101,443		21,684,427
Interest accrued but not due on borrowings		550,911		708,940
Interest accrued and due on borrowings		-		567,302
Creditors for Capital Goods		960,624		995,812
Unclaimed Dividend *		486,614		606,586
Others				
Statutory Liabilities	56,047,009		42,017,369	
Mobilisation advance	5,024,656		6,490,901	
Payable to JV (Refer Note No.32)	4,156,968		79,591	
Deposit Received	976,000		-	
Others **	34,545,620	100,750,253	14,536,522	63,124,383
<b>Total</b>		<b>159,849,845</b>		<b>87,687,450</b>

\* Does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

\*\* Mainly includes Payable to Employees and Provision for Expenses etc.

## NOTE 11

## SHORT TERM PROVISIONS

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Provision for Employee Benefits		185,666		159,758
Proposed Dividend		4,143,750		4,143,750
Tax on Proposed Dividend		704,230		704,230
<b>Total</b>		<b>5,033,646</b>		<b>5,007,738</b>



**NOTE 12**  
**FIXED ASSETS**

( Amount in Rs.)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Up to 31.03.2013	For the Year	Deduction/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>OWNED ASSETS:</b>										
<b>(a) Tangible Assets</b>										
Land	19,663,126	-	-	19,663,126	-	-	-	-	19,663,126	19,663,126
Building	200,262,986	-	-	200,262,986	9,229,960	4,213,630	-	13,443,590	186,819,396	191,033,026
Plant & Equipments	30,114,427	673,351	-	30,787,778	6,646,285	1,462,926	-	8,109,211	22,678,567	23,468,142
Furniture & Fixtures	21,229,678	1,353,385	-	22,583,063	8,638,971	2,241,964	-	10,900,935	11,682,128	12,570,707
Computers	19,516,349	758,838	-	20,275,187	19,516,349	93,806	-	19,612,155	663,032	-
Vehicles	4,464,621	2,008,948	1,245,000	5,228,569	1,226,891	425,103	232,662	1,419,332	3,809,237	3,237,730
<b>Total (a)</b>	295,251,187	4,794,522	1,245,000	298,800,709	45,278,456	8,439,429	232,662	53,485,223	245,315,486	249,972,731
<b>(b) Intangible Assets</b>										
Computer Softwares *	5,096,509	761,058	-	5,857,567	4,456,078	229,746	-	4,685,824	1,171,743	640,431
<b>Total (b)</b>	5,096,509	761,058	-	5,857,567	4,456,078	229,746	-	4,685,824	1,171,743	640,431
<b>Total (a+b)</b>	300,347,696	5,555,580	1,245,000	304,658,276	49,734,534	8,669,175	232,662	58,171,047	246,487,229	250,613,162
<b>Previous Year</b>	295,922,709	4,424,987	-	300,347,696	39,341,164	10,393,370	-	49,734,534	250,613,162	-

\* Other than Internally generated

12.01 Building has been constructed on the land jointly owned by the company, directors and their relatives.

12.02 Building includes lease hold improvements of Rs. 14,59,705 /- ( Previous year Rs. 14,59,705 /- )

12.03 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the Year ended 31st March, 2014.



**NOTE 13**

**NON CURRENT INVESTMENTS**  
(Long Term Investments)

Particulars	Number of Shares		Face Value	As at March 31, 2014	As at March 31, 2013
	31.03.2014	31.03.2013		Rs.	Amount in Rs.
<b>Trade Investments</b>					
<b>(Unquoted, Fully Paid Up)</b>					
<b>In Equity Shares of Subsidiary Company</b>					
Artefact Infrastructure Ltd.	4,900,000	4,900,000	10	49,000,000	49,000,000
<b>In Optionally Convertible Debentures of Subsidiary</b>					
Artefact Infrastructure Ltd.	5500000	5,500,000	10	55,000,000	55,000,000
	<b>Total</b>			<b>104,000,000</b>	<b>104,000,000</b>
13.01	Aggregate amount of Unquoted Investments			104,000,000	104,000,000
13.02	Refer Note no. 1.08 for the basis of valuation				

**NOTE 14**

**LONG TERM LOANS & ADVANCES**  
(Unsecured and Considered Good)

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Loans and advances to related parties (Refer Note No. 32)	2,233,429	5,828,381
Loans and advances to Others	2,506,384	-
Security Deposits	2,697,722	338,045
Capital advance	-	515,000
Advance Payment of Income Tax (Net)	65,588,879	45,083,898
MAT Credit Entitlement	5,964,908	4,011,834
<b>Total</b>	<b>78,991,322</b>	<b>55,777,158</b>

14.01 Presently the company is liable to pay MAT under section 115JB of the Income Tax Act,1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act, other than section 115JB, in next ten years. Based on future projection of the performances, the company will be liable to pay the income tax computed as per provisions, other than under section 115 JB of the Act. Accordingly as advised in Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act,1961" issued by the Institute of Chartered Accountants of India Rs. 1,953,074/- being the excess of tax payable u/s 115 JB of the Act over tax payable as per the provision other than section 115 JB of the Act has been considered as MAT credit entitlement and credited to the Statement of Profit and Loss. The aggregate MAT Credit Entitlement available to the Company as on 31st March, 2014 is Rs. 5,964,908 (Previous Year Rs. 4,011,834).



**NOTE 15**

**TRADE RECEIVABLES**

(Unsecured, Considered Good and Subject to Confirmations)

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Outstanding for a period exceeding six months	119,869,109		99,210,044	
Other receivables	63,328,795	183,197,904	58,297,598	157,507,642
<b>Total</b>		<b>183,197,904</b>		<b>157,507,642</b>

- 15.01 The amount outstanding for a period exceeding six months mainly includes amount receivable from government departments predominantly from NHAI, MMRDA, AAI etc and are in relation to execution of contract services, deployment of additional personnel, price escalations etc. The services have been provided on express written orders and procedural delays in respect of reconciliation of accounts & disbursement of funds at government departments are normal. Accordingly, management is of the view that all these amount are good for recovery and no provision for doubtful debts is required.
- 15.02 The amount outstanding classified as for a period of more than 6 months includes Rs. 60,108,004/- (Previous Year Rs.48,364,667) in respect of consultancy contracts for which the final bills are yet to be submitted and are outstanding on running accounts as per the contract of consultancy.
- 15.03 In respect of Airport Authority of India (AAI), one of the client of the company, the company's invoice has not been accepted to an extent of Rs. 85.11 lacs citing certain minutes of their internal meeting held prior to contract execution as reason for rejection. According to the Management of the company, all the invoices raised by them is as per the contract entered with AAI for Architectural Design for Trivandrum International Airport. AAI has some interpretation clarifications in the terms of contract which the company feels are totally unsustainable. Accordingly company has sought legal clarification and filed an appeal for arbitration. The management is of the view that the action of AAI is ultra-virus and devoid of any contractual logic as well as the executed contract and agreement ab initio. Accordingly the whole amount receivable from AAI is considered good for recovery.

**NOTE 16**

**CASH AND BANK BALANCES**

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Cash and Cash Equivalents				
Balances with Banks - In Current Accounts	260,465		156,800	
Cheques in Hand	12,665,400		2,857,504	
Cash on hand	1,173,342	14,099,207	761,193	3,775,497
Other Bank Balances				
Earmarked Balances - Unpaid dividend accounts	487,064		606,836	
Fixed Deposits with Banks pledged as margin money #	11,037,873	11,524,937	11,769,000	12,375,836
<b>Total</b>		<b>25,624,144</b>		<b>16,151,333</b>

\* Includes Rs. 11,037,873 (Previous year Rs. 11,769,000) pledged with Bank as margin money for Over draft and bank guarantees facilities

# Includes Rs. 3,700,000 (Previous Year Rs.3,650,000) having maturity period of more than 12 months.

**NOTE 17****SHORT TERM LOANS AND ADVANCES**  
(Unsecured and Considered good)

<b>Particulars</b>	<b>As on March 31, 2014</b>	<b>As on March 31, 2013</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
Advances to Related Parties (Refer Note No. 32)	12,704,870	24,923,997
Deposits	1,321,510	1,513,110
Balance with central excise	12,523,661	10,378,137
Others *	10,800,839	6,235,753
<b>Total</b>	<b>37,350,880</b>	<b>43,050,997</b>

\* Mainly includes Employee Advances, Advance For Expenses etc

**NOTE 18****OTHER CURRENT ASSETS**

<b>Particulars</b>	<b>As on March 31, 2014</b>	<b>As on March 31, 2013</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
Unbilled Income	-	4,541,310
<b>Total</b>	<b>-</b>	<b>4,541,310</b>

**NOTE 19****REVENUE FROM OPERATIONS**

<b>Particulars</b>	<b>Year Ended Mar 31, 2014</b>	<b>Year Ended March 31, 2013</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
Income From Project Management and Consultancy Services	222,688,480	158,714,103
<b>Total</b>	<b>222,688,480</b>	<b>158,714,103</b>

**NOTE 20****OTHER INCOME**

<b>Particulars</b>	<b>Year Ended Mar 31, 2014</b>	<b>Year Ended March 31, 2013</b>
	<b>(Amount in Rs.)</b>	<b>(Amount in Rs.)</b>
Interest Income		
- Fixed Deposits	1,048,559	2,226,713
- On Income Tax Refund	-	214,927
Rent Income	1,543,675	862,414
Balances written back (Net)	-	366,822
Miscellaneous Income	40,120	81,928
<b>Total</b>	<b>2,632,354</b>	<b>3,752,804</b>



**NOTE 21**

**PROJECT EXPENSES**

Particulars	Year Ended Mar 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
Site & Survey Expenses		4,262,096	4,164,565
Power & Electricity		583,951	496,759
Rent		4,985,143	4,664,861
Insurance		761,888	574,287
Travelling & Conveyance			
Site Taxi Hire charges	12,485,293		7,256,587
Others	5,819,645	18,304,938	5,972,654
Communication Expenses		1,757,073	1,475,299
Computer & Software Expenses		395,198	359,147
Repairs & Maintenance -			
Buildings	2,096,317		1,433,754
Plant and Equipments	1,007,224		924,972
Others	1,282,674	4,386,215	1,267,475
<b>Total</b>		<b>35,436,502</b>	<b>28,590,360</b>

**NOTE 22**

**EMPLOYEES BENEFIT EXPENSES**

Particulars	Year Ended Mar 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
Salaries, Wages and Allowances		54,744,289	41,029,405
Contribution to P.F and Other Funds		616,871	520,901
Welfare and Other Amenities		724,005	560,304
<b>Total</b>		<b>56,085,165</b>	<b>42,110,610</b>

22.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Particulars	Year Ended Mar 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
<b>Defined Contribution Plan</b>			
Employer's Contribution to Provident Fund, ESIC and Other Funds		616,871	520,901

**Defined Benefit Plan**

The employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



	Gratuity (Non-Funded) (Amount in Rs.)	Gratuity (Non-Funded) (Amount in Rs.)
<b>Reconciliation of Opening and Closing balance of Defined Benefit Obligation.</b>		
Defined Benefit Obligation at the beginning of the year	663,014	897,956
Current Service Cost	129,914	136,359
Interest Cost	49,983	74,081
Actuarial Losses / (Gain)	(50,744)	(445,382)
Past Service Cost	-	-
Benefits Payable	(91,889)	-
<b>Amount Recognised in the Balance Sheet</b>	<b>700,278</b>	<b>663,014</b>
<b>Expense recognized in Statement of Profit and Loss</b>		
	<b>Year Ended Mar 31, 2014</b>	<b>Year Ended March 31, 2013</b>
Current Service Cost	129,914	136,359
Interest on Defined Benefit Obligation	49,983	74,081
Net Actuarial Losses / (Gains) Recognised in year	(50,744)	(445,382)
Past Service Cost	-	-
<b>Total included in "Remuneration and benefits to Employees"</b>	<b>129,153</b>	<b>(234,942)</b>
<b>Actuarial Assumptions</b>		
	<b>31.03.2013</b>	<b>31.03.2012</b>
	<b>LIC (1994-96)</b>	<b>LIC (1994-96)</b>
	<b>Published Table</b>	<b>Published Table</b>
Mortality Table (LIC)		
Discount rate (per annum)	9.10%	8.10%
Expected Rate of escalation in Salary (per annum)	6.50%	6.50%

**Amounts for the current and previous periods as follows**

	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
<b>Particulars</b>					
Defined Benefit Obligation	700,278	663,014	897,956	1,139,566	1,111,424
Experience Adjustment on plan liabilities Gain / (Loss)	(10,992)	454,397	*	*	*

\* Details are not readily available in the Actuarial report taken by the company and hence are not furnished.

**NOTE 23**

**FINANCE COSTS**

Particulars	Year Ended Mar 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Interest expenses	32,043,158	31,460,270
Other Borrowing Costs	1,654,258	1,259,318
<b>Total</b>	<b>33,697,416</b>	<b>32,719,588</b>





**NOTE 24**

**OTHER EXPENSES**

Particulars	Year Ended Mar 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Rates & Taxes	542,482	148,786
Printing & Stationery	1,207,661	965,374
Legal & Filing Fees	442,576	114,028
Tender Expenses	65,289	547,312
Electricity Charges	876,995	822,226
Advertisement & Sales Promotion	87,151	110,621
Payment to Auditors	1,284,333	1,291,000
Donations	38,000	14,601
Loss on Sale of Fixed Assets (Net)	737,338	-
Balances written off (Net)	1,851,036	-
Investments written off	-	200,000
Miscellaneous Expenses	2,717,727	2,733,572
<b>Total</b>	<b>9,850,588</b>	<b>6,947,520</b>

**24.01 Break up of Payment to Auditors**

Particulars	Year Ended Mar 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Audit Fees	871,000	891,000
Tax Audit Fees	100,000	100,000
Certification and Other Matters	313,333	300,000
<b>Total</b>	<b>1,284,333</b>	<b>1,291,000</b>

**NOTE 25**

**DETAILS OF EXPENDITURES IN FOREIGN CURRENCY**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount In Rs.)	(Amount In Rs.)
Technical Knowhow and Services	-	233,333
Travelling	-	248,951
<b>Total</b>	<b>-</b>	<b>482,284</b>

**NOTE 26****DETAILS OF PRIOR PERIOD EXPENDITURES**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount In Rs.)	(Amount In Rs.)
Security Expenses	-	5,000
Site office expenses	-	3,940
Electricity Expenses	-	2,373
Communication Expenses	535	-
Travelling & Conveyance	67,813	-
Repairs & Maintenance	9,909	-
Payments to Sub Consultants	17,143	-
<b>Total</b>	<b>95,400</b>	<b>11,313</b>

**NOTE 27****EARNINGS PER SHARE (EPS)**

Particulars		Year Ended Mar 31, 2014	Year Ended March 31, 2013
		(Amount in Rs.)	(Amount in Rs.)
Net Profit/(loss) after tax attributable to equity shareholders	(A)	<b>965,729</b>	4,439,096
Weighted average number of equity shares outstanding (Nos.)	(B)	<b>5,525,000</b>	5,525,000
Basic & Diluted Earnings Per Share of Rs.10/- each	(A) / (B)	<b>0.17</b>	0.80

**NOTE 28****CONTINGENT LIABILITIES  
(To the extent not provided for)**

Particulars	Year Ended Mar 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
(i) Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)	59,128,066	67,407,442
(ii) Corporate Guarantee Given (Given to Bank against credit facility taken by a Subsidiary company)	105,000,000	105,000,000
(iii) Disputed Income tax demand (The company has filed an appeal and does not expect any cash outflow) (Amount deposited - Rs. 2,000,877/- (Previous year-NIL))	44,672,201	44,672,201
(iv) Third Party Claims (Matters are pending before various forums.No cash outflow is expected)	1,208,584	1,695,100

**NOTE 29**

In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.



**NOTE 30**

i) Foreign Currency exposures that are not hedged by derivatives instruments are as under :

a) Receivables	-	-
b) Payable	-	90,000

**NOTE 31**

**SEGMENT REPORTING:**

As per Accounting Standard (AS ) 17 on "Segment Reporting" segment information has been provided under the notes to consolidated financial statements

**NOTE 32**

**RELATED PARTY DISCLOSURES:**

**A . List of related parties :**

(As certified by the Company)

**I. Subsidiary Company**

Artefact Infrastructure Ltd.

**II. Step down Subsidiary**

Alpine Inframing LLP

**III. Associates**

Rising Minerals & Metals LLP

Glowide Infradevelopment LLP

Artefact Inframing LLP

Valecha Badwani Sendhwa Tollways Limited

**IV. Joint Ventures**

Zaidun Leeng Sdn. Bhd. - Artefact Projects

Sheladia Associates Inc. - Artefact Projects - Zaidun Leeng Sdn. Bhd.

Meinhardt Singapore Pte. Ltd. - Artefact Projects

**V. Key Management Personnel and Their Relatives**

Mr. Manoj B. Shah - Managing Director

Mr. Pankaj B. Shah - Whole Time Director

Mr. Siddhardh P Shah - Whole Time Director ( w.e.f. 06.07.2013)

Mr. Nilesh Jain - Chief Financial Officer (w.e.f 13.08.2013)

Mr. Chetan B. Shah - Relative of Key Management Personnel

Mrs. Madhvi M Shah - Relative of Key Management Personnel

**VI. Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :**

**(Other related parties)**

Artefact Towers Association

Koradi Minerals Private Limited



**B. Transactions with Related Parties :**

(Amount In Rs.)

Nature of transaction	Subsidiary / Step down subsidiary Company	Associates	Joint Ventures	Other Related Parties	Key Management Personnel & their Relatives	Total
<b>Investments in shares</b>						
Purchased during the year	-	-	-	-	-	-
	( - )	( - )	( - )	( - )	(2,942,000)	(2,942,000)
Closing Balance as on 31st March, 2014	49,000,000	-	-	-	-	49,000,000
	(49,000,000)	( - )	( - )	( - )	( - )	(49,000,000)
<b>Investments in debentures</b>						
Made during the year	-	-	-	-	-	-
	(33,638,000)	( - )	( - )	( - )	( - )	(33,638,000)
Closing Balance as on 31st March, 2014	55,000,000	-	-	-	-	55,000,000
	(55,000,000)	( - )	( - )	( - )	( - )	(55,000,000)
<b>Revenue from Operations</b>						
Income from Project Management and Consultancy Services	34,185,076	-	28,374,839	-	-	62,559,915
	(25,842,800)	(14,831,520)	(26,788,573)	( - )	( - )	(67,462,893)
<b>Short Term Borrowings</b>						
Opening balance	-	-	-	-	-	-
	( - )	( - )	( - )	( - )	( - )	( - )
Taken during the year	-	-	-	-	22,630,000	22,630,000
	( - )	( - )	( - )	( - )	(11,324,500)	(11,324,500)
Refunded during the year	-	-	-	-	14,365,043	14,365,043
	( - )	( - )	( - )	( - )	(19,464,500)	(19,464,500)
Balance as on 31st March 2014	-	-	-	-	8,264,957	8,264,957
	( - )	( - )	( - )	( - )	( - )	-
<b>Security Deposits</b>						
	-	-	-	102,000	-	102,000
	( - )	( - )	( - )	(102,000)	( - )	(102,000)
<b>Long Term Loans and Advances</b>						
Balance as on 31st March 2014	-	-	2,233,429	-	-	2,233,429
	( - )	( - )	(5,828,381)	( - )	( - )	(5,828,381)
<b>Short Term Loans &amp; Advances</b>						
Opening balance	17,366,120	-	7,555,107	2,770	-	24,923,997
	( - )	( - )	(1,921,811)	( - )	( - )	(1,921,811)
Given during the year	24,978,172	-	18,055,369	-	-	43,033,541
	(40,534,498)	( - )	(20,517,097)	(2,770)	( - )	(61,054,365)
Received during the year	42,344,292	-	12,905,606	2,770	-	55,252,668
	(23,168,378)	( - )	(14,883,801)	( - )	( - )	(38,052,179)
Balance as on 31st March 2014	-	-	12,704,870	-	-	12,704,870
	(17,366,120)	( - )	(7,555,107)	(2,770)	( - )	(24,923,997)
<b>Trade Receivables</b>						
Balance as on 31st March 2014	-	-	43,960,632	-	-	43,960,632
	(10,112,400)	( - )	(42,088,038)	( - )	( - )	(52,200,438)



**Employee Benefits Expenses**

Payment of Salaries / Perquisites	-	-	-	-	6,578,128	6,578,128
	( - )	( - )	( - )	( - )	(4,902,000)	(4,902,000)
<b>Other current liabilities</b>	-	-	4,156,968	-	-	4,156,968
	( - )	( - )	(79,591)	( - )	( - )	(79,591)
<b>Repair and Maintenance</b>	-	-	-	1,072,515	-	1,072,515
	( - )	( - )	( - )	(665,094)	( - )	(665,094)
<b>Reimbursement of Expenses</b>	-	-	-	266,244	-	266,244
	( - )	( - )	( - )	( - )	( - )	( - )
<b>Contingent Liabilities</b>						
Corporate Guarantee given as on March 31, 2014	105,000,000	-	-	-	-	105,000,000
	(105,000,000)	( - )	( - )	( - )	( - )	(105,000,000)

Note : Figures in brackets represent previous year's amounts.

**C. Details of major transactions with Related Parties :**

		Year Ended 31.03.2014 (Amount In Rs.)	Year Ended 31.03.2013 (Amount In Rs.)
<b>Investment In Share/ Debentures</b>			
- Purchased during the year			
	Manoj B. Shah	-	1,105,000
	Pankaj B. Shah	-	1,305,000
	Madhavi M. Shah	-	401,000
- Made during the year	Artefact Infrastructure Ltd	-	33,638,000
<b>Investments as on 31st March 2014</b>			
- in Equity Shares	Artefact Infrastructure Ltd	49,000,000	46,058,000
- in Optionally Convertible Debentures	Artefact Infrastructure Ltd	55,000,000	21,362,000
<b>Short Term Borrowings</b>			
- Taken during the year			
	Pankaj Balkrishna Shah	9,090,000	3,316,000
	Manoj Balkrishna Shah	13,540,000	-
	Chetan Balkrishna Shah	-	8,008,500
- Refunded during the year			
	Pankaj Balkrishna Shah	8,164,407	8,316,000
	Manoj Balkrishna Shah	6,200,636	3,140,000
	Chetan Balkrishna Shah	-	8,008,500
- Balance as on 31st March,2014			
	Pankaj Balkrishna Shah	925,593	-
	Manoj Balkrishna Shah	7,339,364	-
	Chetan Balkrishna Shah	-	-
<b>Security Deposit</b>			
- Balance as on 31st March 2014	Artefact Tower Association	102,000	102,000
<b>Long Term Loans and Advances</b>			
- Balance as on 31st March 2014			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	-	3,091,200
	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	1,099,614	1,470,375
	Meinhardt Singapore Pte. Ltd. - Artefact Projects	1,133,815	1,266,806



**Short Term Loans & Advances**

<b>Opening Balance as on 31.03.2013</b>	Zaidun Leeng Sdn. Bhd.- Artefact Projects	<b>5,935,205</b>	301,909
	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	<b>1,619,902</b>	1,619,902
	Artefact Infrastructure Ltd	<b>17,366,120</b>	-
Given during the year	Zaidun Leeng Sdn. Bhd.- Artefact Projects	<b>18,045,849</b>	20,517,097
	Artefact Infrastructure Ltd	<b>24,978,172</b>	40,534,498
Received during the year	Zaidun Leeng Sdn. Bhd.- Artefact Projects	<b>12,905,606</b>	14,883,801
	Artefact Infrastructure Ltd	<b>42,344,292</b>	23,168,378
Balance as on 31st March, 2014	Zaidun Leeng Sdn. Bhd.- Artefact Projects	11,075,448	5,935,205
	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	1,629,422	1,619,902
	Artefact Infrastructure Ltd	-	17,366,120
<b>Trade Receivables</b>			
- Balance as on March 31, 2014	Zaidun Leeng Sdn. Bhd.- Artefacts Projects	<b>43,960,632</b>	41,510,878
	Artefact Infrastructure Ltd	-	10,112,400
<b>Other current liabilities</b>			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	<b>4,096,954</b>	-
<b>Revenue from Operations</b>			
- Income from Project Management and Consultancy Services	Zaidun Leeng Sdn. Bhd.- Artefacts Projects JV	<b>28,374,839</b>	25,321,675
	Artefact Infrastructure Ltd	<b>34,185,076</b>	25,842,800
	Rising Minerals & Metals LLP	-	14,831,520
<b>Employee Benefits Expenses</b>			
- Payment of Salaries/ Perquisites	Mr. Manoj B. Shah	<b>2,747,250</b>	2,511,000
	Mr. Pankaj B. Shah	<b>2,777,250</b>	2,391,000
<b>Repair and Maintenance</b>	Artefact Towers Association	<b>1,072,515</b>	665,094
<b>Reimbursement of Expenses</b>	Artefact Towers Association	<b>266,244</b>	-
<b>Corporate Guarantee given as on March 31, 2014</b>	Artefact Infrastructure Ltd	<b>105,000,000</b>	105,000,000

**NOTE 33**

**JOINT VENTURE ACCOUNTING:**

**Jointly Controlled Operations**

- (i) The Company has entered in to Joint Ventures (JVs) in respect of certain projects with various bodies corporates. The share in the residual profit remaining after sharing of receipts in proportion to the extent of services rendered is in the ratio as under –

Name of the Joint Venture	Company's Share in residual profits	Other Partners' Participating Interest
Zaidun Leeng Sdn. Bhd.- Artefacts Projects	60%	40%
Sheladia Associates Inc. - Artefacts Projects- Zaidun Leeng Sdn. Bhd.	65%	35%
Meinhardt Singapore Pte. Ltd. - Artefact Projects	95%	5%

- (ii) The Company's share in the total value of the assets and liabilities as at Rs 31.03.2014 is Rs. 98,371,772 (Previous year Rs.92,659,946) and Rs. 80,936,746 (Previous Year Rs.77,287,463) respectively and in the income, expenditure and net profit/( Loss) before tax for the year ended 31.03.2014 of the above Joint Ventures amounts to Rs. 53,749 (Previous Year Rs.5,681,625), Rs. 5,408,406 (Previous Year Rs.53,69,333) and Rs. (5,354,658) (Previous year Rs.312,293) respectively. The figures have been incorporated based on the audited financial statements received from the jointly controlled operations.



**NOTE 34**

In accordance with clause 32 of Listing Agreement the details of advance is as under:

- a. To Artefact Infrastructure Limited (AIL), a Subsidiary , closing balance as on March 31, 2014 is Rs.Nil (Previous year Rs. 17,366,120/). Maximum balance outstanding during the year was Rs. Rs. 22,303,984 (Previous year Rs. 17,366,120/- ).
- b. AIL has not made investment in the shares of the Company
- c. As per the Company's policy loans to employees are not considered in 'a' above.

**NOTE 35**

Previous Year's figures have been reworked /regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date  
**For CHATURVEDI & SHAH**  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

**Mumbai, May 29, 2014**

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**Nagpur, May 29, 2014**

**NARESH PATADIA**  
Proprietor

**Nagpur, May 29, 2014**



**CHATURVEDI & SHAH**  
*Chartered Accountants*  
912-913, Tulsiani Chambers,  
212, Nariman Point,  
Mumbai 400021

**NARESH PATADIA & CO.**  
*Chartered Accountants*  
Opposite Ram Mandir,  
Tilak Road, Mahal,  
Nagpur 440002

## **INDEPENDENT AUDITORS' REPORT**

To

The Board of Directors of  
**ARTEFACT PROJECTS LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying Consolidated Financial Statements of 'Artefact Projects Limited' ("the Company"), its Subsidiary company, Associates and Joint Ventures (collectively referred to as "the Group"), which comprises the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow of the Group in accordance with accounting principles generally accepted in India, including accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") as applicable read with the General Circular 15/2013 dated 13<sup>th</sup> September 2013 of the Ministry of corporate affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis for Qualified Opinion**

*We refer to:*

- i. *Note No. 18 of the financial statements wherein the Management of the Company has considered Trade Receivables amounting to Rs.17,07,21,498 as good and fully recoverable. In the absence of balance confirmations/reconciliations from the customers from whom these amounts are due or other alternate audit evidence to corroborate management's*





assessment of recoverability of these balances and having regard to the age of these balances, we are unable to comment the extent to which these balances are recoverable.

- ii. Note no. 13.02 of the Financial Statements regarding non accounting of share in the loss of the associate aggregating to Rs. 60,89,272 in the consolidated financial statements for the year ended 31st March, 2013 since the company as a shareholder has not accepted these financial Statements. Had the same been provided there would have been a net profit after tax of Rs. 36,77,541 as against the reported figures of Rs. 97,66,813, Non-current Investments of Rs. 5,60,26,343 as against reported figures of Rs. 6,21,15,615 and Reserves and surplus of Rs. 31,82,74,596 as against reported figures of Rs. 32,43,63,868 for the year ended 31<sup>st</sup> March 2014. Further, since April 1, 2013 no Financial Information / Results / Statements from this associate has been received and hence the impact of the same in the financial statements cannot be ascertained/quantified at this stage. Accordingly the Consolidated Financial Statements for the year ended 31<sup>st</sup> March 2014 are not in compliance with AS-23 Accounting for Investments in Associates to the extent.

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, based on the consideration of the reports of the other auditors on the Consolidated financial statements of a subsidiary as noted below and except for the possible effects of the matters described in the Basis For Qualified Opinion paragraph above, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In so far as it relates, to Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- ii. In so far as it relates to the Consolidated Statement of Profit and Loss , of the profit of the Group for the year ended on that date; and
- iii. In so far as it relates to the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

### Emphasis of Matter

Without qualifying our opinion we draw your attention to the Note no. 4.05 regarding non provision of redemption premium on optionally convertible debentures for the reasons explained therein.

### Other Matters

The Consolidated Financial Statements of Artefact Infrastructure Limited, the subsidiary company, whose Consolidated Financial Statements reflect total assets of Rs. 33,13,14,625 as at 31st March 2014, total revenues (net of taxes recovered) of Rs. 20,38,85,323 and net cash flows amounting to Rs. 18,05,346 for the year ended on that date as considered in the Consolidated Financial Statements have been audited by one of the Joint Auditors.

Our opinion is not qualified in respect of Other Matters

For **Chaturvedi & Shah**  
Chartered Accountants  
Firm Reg. No. – 101720W

**R Koria**  
Partner  
Membership No. – 35629  
Date : May 29, 2014

For **Naresh Patadia & Co.**  
Chartered Accountants  
Firm Reg. No. – 106936W

**Naresh Patadia**  
Proprietor  
Membership No. – 35620  
Date : May 29, 2014



**ARTEFACT PROJECTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS ON MARCH 31ST, 2014**

Particulars	Note No	As on March 31st, 2014		As on March 31st, 2013	
		(Amount in Rs.)		(Amount in Rs.)	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	2	55,250,000		55,250,000	
Reserves and Surplus	3	324,363,868	379,613,868	314,597,056	369,847,056
			90,596		68,126
<b>Minority Interest</b>					
<b>Non-current liabilities</b>					
Long-term borrowings	4	110,096,908		164,294,405	
Deferred tax liability (Net)	5	17,558,875		12,266,791	
Other Long Term Liabilities	6	217,000		4,871,429	
Long Term Provisions	7	514,612	128,387,395	503,256	181,935,881
<b>Current liabilities</b>					
Short-term borrowings	8	135,367,909		109,328,436	
Trade payables	9	98,398,207		61,208,124	
Other current liabilities	10	172,935,628		94,581,813	
Short-term provisions	11	5,379,485	412,081,229	5,161,615	270,279,988
<b>TOTAL</b>			<b>920,173,088</b>		<b>822,131,051</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets					
Tangible assets					
Tangible assets	12	260,706,301		256,212,901	
Intangible assets		1,171,743		640,431	
Intangible assets under Development		684,277		1,793,401	
		262,562,321		258,646,733	
Goodwill on Consolidation		17,429,984		17,429,984	
Non-current investments	13	62,115,615		62,110,615	
Long-term loans and advances	14	86,413,270		85,781,774	
Other Non Current Assets	15	-	428,521,190	4,655,512	428,624,618
<b>Current assets</b>					
Current Investments	16	27,541,363		50,547,332	
Inventories	17	44,978,178		-	
Trade receivables	18	306,452,412		241,313,631	
Cash and Bank Balances	19	41,491,392		29,911,833	
Short-term loans and advances	20	71,188,553		67,192,327	
Other current assets	21	-	491,651,898	4,541,310	393,506,433
<b>TOTAL</b>			<b>920,173,088</b>		<b>822,131,051</b>
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 39				

As per our Report of even date  
**For CHATURVEDI & SHAH**  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

Mumbai, May 29, 2014

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**NARESH PATADIA**  
Proprietor

Nagpur, May 29, 2014

Nagpur, May 29, 2014



**ARTEFACT PROJECTS LIMITED**  
**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31ST, 2014**

Particulars	Note No.	Year Ended March 31st, 2014	Year Ended March 31st, 2013
		(Amount in Rs.)	(Amount in Rs.)
Revenue from Operations (Gross)	22	380,498,278	402,648,978
Less: Service Tax recovered		<u>17,236,558</u>	<u>19,019,759</u>
Revenue from Operations (Net)		363,261,720	383,629,219
Other income	23	<u>16,225,539</u>	<u>4,154,832</u>
<b>Total Revenue</b>		<b><u>379,487,259</u></b>	<b><u>387,784,051</u></b>
<b>Expenses</b>			
Project Expenses	24	196,993,730	232,202,822
Purchases of Traded Goods	25	17,654,037	10,401,028
Changes in Inventory of Contracts in progress	26	(44,978,178)	-
Retainer & Consultancy Fees		56,600,909	18,580,771
Employee Benefits Expenses	27	60,950,203	45,904,081
Finance Costs	28	43,490,437	34,448,201
Depreciation and Amortization Expenses	12	9,725,523	11,356,451
Other Expenses	29	<u>13,684,810</u>	<u>8,181,387</u>
<b>Total Expenses</b>		<b><u>354,121,472</u></b>	<b><u>361,074,741</u></b>
<b>Profit Before Tax</b>		25,365,787	26,709,310
<b>Tax expense:</b>			
Current tax		9,288,269	7,504,382
MAT Credit Entitlement	14.01	(1,953,074)	(1,288,419)
Deferred Tax Liabilities (Net)	5	5,292,084	2,043,257
Income Tax For Earlier Year		<u>783,075</u>	<u>193,955</u>
<b>Profit for the year</b>		<b><u>11,955,434</u></b>	<b><u>18,256,135</u></b>
Preacquisition Profit /(Loss) Transferred to Goodwill		-	8,220
Minority Interest on Profit/(Loss)		(22,470)	(28,424)
Share in Profit of Associates (Refer Note No 13.02)		<u>(2,166,151)</u>	<u>(2,733,121)</u>
		<u>9,766,813</u>	<u>15,502,810</u>
Earnings per equity share of Rs.10 each	32		
- Basic (in Rs.)		1.77	2.81
- Diluted (in Rs.)		1.77	2.81
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 39		

As per our Report of even date  
**For CHATURVEDI & SHAH**  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

**Mumbai, May 29, 2014**

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**NARESH PATADIA**  
Proprietor

**Nagpur, May 29, 2014**

**Nagpur, May 29, 2014**



**ARTEFACT PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014**

Particulars	Year Ended March 31, 2014 (Amount in Rs.)	Year Ended March 31, 2013 (Amount in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	25,365,787	26,709,310
<b>ADJUSTED FOR</b>		
Depreciation and Amortization Expenses	9,725,523	11,356,451
Loss/ (Profit) on Sale of Fixed Assets (Net)	1,038,519	(97,277)
Loss/ (Profit) on Investment	-	200,000
Finance Costs	43,490,437	34,448,201
Interest Income	(14,641,744)	(2,744,159)
Deferred Revenue Expenditures adjusted against goodwill	-	158,050
Deferred Revenue Expenditures	-	55,781
Balances written off/ written back (Net)	4,086,267	(384,822)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>69,064,789</b>	<b>69,701,535</b>
<b>ADJUSTMENTS FOR</b>		
Trade and Other Receivables	(43,655,984)	(84,602,346)
Inventories	(44,978,178)	-
Trade Payables	71,586,604	70,333,757
<b>CASH GENERATED FROM OPERATION</b>	<b>52,017,231</b>	<b>55,432,946</b>
<b>Direct Taxes (Paid)/ Refund Received</b>	<b>(29,175,682)</b>	<b>(20,670,729)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>22,841,549</b>	<b>34,762,217</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets and Capital Work in Progress	(10,834,818)	(6,754,938)
Sale of Fixed Assets	735,000	250,000
Investments in Subsidiaries	20,834,818	(62,238,549)
Interest received	14,170,459	2,494,856
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>24,905,459</b>	<b>(66,248,631)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Buy Back of Equity Shares from Minorities	-	(2,942,000)
Proceed from Long Term Borrowings	5,730,000	109,888,000
Repayment of Long Term Borrowings	(23,601,182)	(48,463,349)
Short Term Loans (Net)	26,039,472	(17,069,996)
Finance Costs	(44,215,768)	(33,228,962)
Margin Money (Net) and other earmarked bank balances	429,526	27,057,672
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(35,617,952)</b>	<b>35,241,365</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>12,129,056</b>	<b>3,754,951</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>12,868,888</b>	<b>9,113,937</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>24,997,944</b>	<b>12,868,888</b>

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".  
(ii) Figures in brackets indicate Outflows.  
(iii) Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year.

As per our Report of even date  
**For CHATURVEDI & SHAH**  
Chartered Accountants

For and on behalf of Board of Directors

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

Mumbai, May 29, 2014

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**NARESH PATADIA**  
Proprietor

**Nagpur, May 29, 2014**

Nagpur, May 29, 2014



**ARTEFACT PROJECTS LIMITED**

**Notes on Consolidated Financial Statements for the Year ended March 31st, 2014**

**NOTE: 1**

**SIGNIFICANT ACCOUNTING POLICIE**

**1.01 Principles of Consolidation :**

The Consolidated Financial Statements relate to the Artefact Projects Limited ('the Company'), and its Subsidiary Companies, Associates and Joint Ventures (Collectively referred as "the Group"). The consolidated financial statements have been prepared on the following basis:

- a. The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements".
- b. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- c. The difference between the cost of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill, which is not being amortised or Capital Reserve as the case may be.
- d. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiaries.
- e. Minority Interest's share of net profit of consolidated financial statements of the subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f. Minority Interest in share of net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- g. Investments in associates are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements".
- h. The Company accounts for its share in the change in the net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transaction between the Company and its associate to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.
- i. Interest in Jointly Controlled Entity has been accounted for by combining on a line by line basis by adding together the proportionate book values of like item of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra group transactions in accordance with Accounting Standard (AS) – 27 on financial reporting of interest in Joint Ventures.

**1.02** Investments other than in subsidiaries have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

**1.03** Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Company's separate financial statements.

**1.04 Following Entities have been considered in the Consolidated Financial Statements:**

Name of Entities	Relation	Country of Incorporation	Proportion of Ownership Interest
a) Artefact Infrastructure Limited	Subsidiary	India	100%
b) Alpine MiningInfra LLP	Subsidiary	India	95%
c) Glowide Infradevelopment LLP	Associate	India	49%
d) Artefact Inframinging LLP	Associate	India	49%
e) Rising Minerals & Metals LLP	Associate	India	49%
f) Valecha Badwani Sendhwa Tollways Ltd.*	Associate	India	26%

\* Refer Note No. 13.02

**NOTE: 2****SHARE CAPITAL**

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
<b>Authorised</b>		
10,000,000 Equity Shares of Rs.10 each (Previous Year 10,000,000)	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
5,525,000 Equity Shares of Rs.10 each (Previous Year 5,525,000)	55,250,000	55,250,000
<b>Total</b>	<b>55,250,000</b>	<b>55,250,000</b>

**2.01 Reconciliation of number of shares outstanding :**

Particulars	As on Mar 31, 2014		As on March 31, 2013	
	No. of Shares	(Amount in Rs)	No. of Shares	(Amount in Rs)
Shares outstanding as at the beginning of the year	5,525,000	55,250,000	5,525,000	55,250,000
Add: Shares Issued during the year:	-	-	-	-
Shares outstanding as at end of the year	<b>5,525,000</b>	<b>55,250,000</b>	<b>5,525,000</b>	<b>55,250,000</b>

**2.02 Details of Shareholders, holding more than 5% shares of Paid-up Equity Share Capital of the Company**

Name of Shareholder	As on Mar 31, 2014		As on March 31, 2013	
	No. of Shares held	% to Capital	No. of Shares held	% to Capital
Pankaj Balkrishna Shah	747,550	13.53	747,550	13.53
Manoj Balkrishna Shah	700,600	12.68	700,600	12.68
Chetan Balkrishna Shah	563,300	10.20	563,300	10.20
East & West Securities Pvt Ltd	400,000	7.24	400,000	7.24
Rupa Shah	367,350	6.65	367,350	6.65

**2.03 Rights to Equity Shareholders**

The Company has only one class of equity share having face value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.



**NOTE: 3**

**RESERVES & SURPLUS**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	11,993,750	11,993,750
<b>Securities Premium Account</b>		
Balance as per last Balance Sheet	131,890,400	131,890,400
<b>General Reserve</b>		
Balance as per last Balance Sheet	11,300,000	11,300,000
<b>Surplus</b>		
Balance as per last Balance Sheet	159,412,906	148,600,028
Add: Profit For the Year	9,766,812	15,502,810
Add: Due to Deffered Revenue Expenditure W/off	-	158,048
Add: Proposed Dividend on Equity Shares reversed	4,143,750	-
Add: Tax on Proposed Dividend reversed	704,230	-
Less: Proposed Dividend on Equity Shares*	(4,143,750)	(4,143,750)
Less: Tax on Proposed Dividend	(704,230)	(704,230)
	169,179,718	159,412,906
<b>Total</b>	<b>324,363,868</b>	<b>314,597,056</b>

\* Dividend Per Share Rupee 0.75 (Previous Year Rupee NIL).

**NOTE: 4**

**LONG TERM BORROWINGS**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Secured</b>		
Term Loans from a Bank	31,685,792	87,093,050
Vehicle Loans from a Bank	1,583,907	2,201,355
Equipment Loans -NBFC	2,827,209	-
<b>Unsecured</b>		
7,500,000(Previous Year 7,500,000) 0 % Optionally Convertible Debentures of Rs. 10 each	74,000,000	75,000,000
<b>Total</b>	<b>110,096,908</b>	<b>164,294,405</b>

**4.01** Term Loans from a Bank referred to above and Rs.56,450,300 included in current maturity of long term debts in Note No.10 are Secured against Mortgage of Building and Hypothecation of other Fixed Assets, Equipments, Hardwares and Softwares. The Term loan -I, as mentioned in note 4.07, is repayable in 17 equal monthly installments (including interest) from 31st March, 2014 of Rs. 2,368,174 as per repayment schedule, ending on September 6, 2015 and carries interest @ 15.75% p.a. and Term Loan - II, as mentioned in note 4.07, carries interest @ 13.50% p.a is repayable in 5 equal monthly intallments of Rs 10,000,000 after the period of 9 months from 31st March,2014.

**4.02** The above term loans from a bank are guaranteed by some of the Directors in their personal capacity and also are Guarantee by a Company i.e. Vidharbha Holding Limited.



**4.03** Vehicle Loans referred to above and Rs. 651,143 included in current maturity of long term debts in Note No.10 is secured against hypothecation of the specific vehicle financed. The vehicle loan of Rs. 235,077/- is repayable in 18 equal monthly installments (including interest) from 31st March , 2014 of Rs. 34,570 and vehicle loan of Rs. 1,348,830/- is repayable in 58 equal monthly installments (including interest) from 31st March , 2014 of Rs. 35,430 as per repayment schedule.

**4.04** Equipment loans referred to above and Rs. 914,433 included in current maturity of long term debts in Note no. 10 are secured by the hypothecation against specific Equipment financed. The loans are repayable in 43 to 46 months equal monthly installments (including interest) as per repayment schedule.

**4.05** The above OCDs shall be converted as per the following terms:

- (i) The OCD holders shall have a right to opt for conversion into equity shares of the subsidiary company after the end of the 45 months from respective date of issue as detailed in Note No. 4.06 at the conversion price to be determined as under:
  - (a) share price determined by a multiple of 8 applied to EBIDTA of Company or
  - (b) share price determined by a multiple of 15 applied to PAT of Company, divided by number of equity share of Rs. 10 each to arrive at the share price (including securities premium), as per the latest audited financial statement prior to option for conversion is exercised or
  - (c) share price determined by a multiple of 3 applied to Book Value to adjusted Book Value of Investment of the Company as per the latest audited financial statement prior to option for conversion is exercised, whichever is higher.
- (ii) If the OCD holders does not exercise his conversion option, then the such OCDs shall be redeemed at premium. The premium shall be the highest of the following:
  - (a) redemption premium calculated on the basis of book value of equity shares before conversion being the agreed utilisation of subscription OCD as per clause 3 or (b) redemption premium calculated at the annualised average rate of 12% p.a. for the tenure of debenture held till redemption less any statutory deductions/ taxes as applicable, if any or (c) redemption premium calculated at the value realised by the company from sale/ transfer of shares of the Company to the OCD holders or any other person, less any statutory deductions/ taxes as applicable, if any. Since the redemption premium is based on the future events and the same can not be determined at this stage and accordingly no provision has been made in the books of accounts for the redemption premium payable on these OCDs.

**4.06** The Optionally Convertible Debentures (OCDs) issued by the company are convertible at the option of the debenture holders after 45 months from the date of issue as shown in following table:

Amount In Rs.	No. Of Debentures Issued	Date Of Issue	Maturity / Conversion Date
7,500,000	750,000	8th Aug 2012	7th May 2016
3,750,000	375,000	7st July 2012	6th Apr 2016
15,000,000	1,500,000	20st June 2012	19th Mar 2016
500,000	50,000	31th Mar 2012	30th Dec 2015
1,500,000	150,000	28th Mar 2012	27th Dec 2015
8,000,000	800,000	17th Mar 2012	16th Dec 2015
8,125,000	812,500	31th Jan 2012	24th Nov 2015
8,125,000	812,500	6th Sep 2011	6th Jun 2015
12,500,000	1,250,000	8th Aug 2011	9th May 2015
10,000,000	1,000,000	11th Apr 2011	14th Jan 2015
<b>75,000,000</b>	<b>7,500,000</b>		

**4.07** Maturity Profile of Term Loans are as under :

	Payable Within one Year	1-2 Years	2-3 Years	Beyond 3 Years
Term Loan from a Bank - I	26,450,300	11,685,792	-	-
Term Loan from a Bank - II	30,000,000	20,000,000	-	-
Vehicle Loans From a Bank	651,143	538,862	335,641	709,404
Equipments Loans	914,433	1,030,919	1,163,513	632,777





**NOTE: 5**

**DEFERRED TAX LIABILITY / ASSETS (NET)**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	18,127,964	12,681,959
<b>Total</b>	<b>18,127,964</b>	<b>12,681,959</b>
<b>Deferred Tax Assets</b>		
Disallowances under Income Tax Act	569,089	415,168
<b>Total</b>	<b>569,089</b>	<b>415,168</b>
<b>Deferred Tax Liability (Net)</b>	<b>17,558,875</b>	<b>12,266,791</b>

**NOTE: 6**

**OTHER LONG TERM LIABILITIES**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
Trade Payables ( Retention Money)	-	3,895,429
Deposit Received	217,000	976,000
<b>Total</b>	<b>217,000</b>	<b>4,871,429</b>

**NOTE: 7**

**LONG TERM PROVISIONS**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
Provision for Employee Benefits	514,612	503,256
<b>Total</b>	<b>514,612</b>	<b>503,256</b>

**NOTE: 8**

**SHORT TERM BORROWINGS**

Particulars	As on March 31, 2014 (Amount in Rs.)	As on March 31, 2013 (Amount in Rs.)
<b>Secured Loans</b>		
Working Capital Loans from Banks	127,102,952	109,328,436
<b>Unsecured Loans</b>		
From Directors (Refer Note No. 37)	8,264,957	-
<b>Total</b>	<b>135,367,909</b>	<b>109,328,436</b>

Working Capital Loans form Banks to the extent of:

- (i) Rs. 88,932,510/- referred to above are secured against hypothecation of whole of the movable properties Including Book Debts and Assets both present and future, and are further secured collaterally by mortgage of immovable properties of the Company, guaranteed by some of the directors in their personal capacity and also covered by a Corporate Guarantee of a Company i.e. Vidharbha Holding Ltd.
- (ii) Rs. 694,079 /- referred to above are secured by the Pledge of Fixed Deposit with Bank of Rs. 837,940 /-.
- (iii) Rs.37,476,363/- referred to above is secured against hypothecation of entire current assets of the subsidiary company comprising raw materials, stock in trade book debts, receivables and also secured collaterally by personal guarantee of a Director of the subsidiary Company as well as corporate guarantee of the company.

**NOTE: 9****TRADE PAYABLES**  
(Subject to confirmations)

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Trade Payables - Micro, Small & Medium Enterprises	@		@	
- Others	98,398,207	98,398,207	61,208,124	61,208,124
<b>Total</b>		<b>98,398,207</b>		<b>61,208,124</b>

@ The Company has not received information from Creditors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure as required under the said Act, relating to amounts unpaid as on 31st March, 2014 together with Interest paid / payable have not been given.

**NOTE: 10****OTHER CURRENT LIABILITIES**

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Current Maturities of Long Term Debts		59,015,876		22,689,561
Interest accrued but not due on borrowings		550,911		708,940
Interest accrued and due on borrowings		-		567,302
Creditors for Capital Goods		960,624		995,812
Unclaimed Dividend *		486,614		606,586
Others				
Statutory Liabilities	58,329,609		46,290,242	
Mobilisation advance	5,024,656		6,490,901	
Payable to JV	4,156,968		79,591	
Deposit Received	976,000		-	
Others **	43,434,370	111,921,603	16,152,878	69,013,612
<b>Total</b>		<b>172,935,628</b>		<b>94,581,813</b>

\* Does not include any amount due and outstanding to be credited to Investor Education & Protection Fund.

\*\* Mainly includes Payable to Employees and Provision for Expenses etc.

**NOTE: 11****SHORT TERM PROVISIONS**

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Provision for Employee Benefits		185,666		159,758
Proposed Dividend		4,143,750		4,143,750
Tax on Proposed Dividend		704,230		704,230
Provision for Income Tax		345,839		153,877
<b>Total</b>		<b>5,379,485</b>		<b>5,161,615</b>



ARTEFACT PROJECTS LIMITED

Notes on Consolidated Financial Statements for the Year ended March 31st, 2014

NOTE 12  
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION		NET BLOCK			
	As at 01.04.2013	Additions	Deductions/ Adjustments	As at 31.03.2014	Up to 31.03.2013	For the Year	Deduction/ Adjustments	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013
<b>OWNED ASSETS:</b>										
<b>(a) Tangible Assets</b>										
Land	19,663,126	3,970,360	-	23,633,486	-	-	-	-	23,633,486	19,663,126
Building	200,262,986	-	-	200,262,986	9,229,960	4,213,630	-	13,443,590	186,819,396	191,033,026
Plant & Equipments	30,336,555	7,671,165	-	38,007,720	6,675,836	1,600,958	-	8,276,794	29,730,926	23,660,719
Furniture & Fixtures	21,229,678	1,353,285	-	22,583,063	8,658,971	2,247,855	-	10,906,826	11,676,237	12,570,706
Computers	21,082,517	758,838	-	21,841,355	20,694,333	349,682	-	21,044,015	797,340	388,184
Vehicles	11,780,726	2,008,948	2,357,370	11,432,304	2,883,586	1,083,653	583,851	3,383,388	8,048,916	8,897,140
Total (a)	304,355,588	15,762,696	2,357,370	317,609,914	48,142,686	9,495,778	583,851	57,054,613	260,706,301	256,212,901
<b>(b) Intangible Assets</b>										
Computer Softwares *	5,096,509	761,058	-	5,857,567	4,456,078	229,746	-	4,685,824	1,171,743	640,432
Total (b)	5,096,509	761,058	-	5,857,567	4,456,078	229,746	-	4,685,824	1,171,743	640,432
<b>Total (a+b)</b>	<b>309,452,097</b>	<b>16,523,754</b>	<b>2,357,370</b>	<b>323,618,481</b>	<b>52,598,764</b>	<b>9,725,524</b>	<b>583,851</b>	<b>61,740,436</b>	<b>261,878,044</b>	<b>256,853,333</b>
<b>Previous Year</b>	<b>305,178,984</b>	<b>4,523,113</b>	<b>250,000</b>	<b>309,452,097</b>	<b>41,338,685</b>	<b>11,357,356</b>	<b>97,277</b>	<b>52,598,764</b>	<b>256,853,333</b>	<b>1793401</b>
<b>Intangible Assets under Development</b>										
									<b>684277</b>	

\* Other than Internally generated

12.01 Building has been constructed on the land jointly owned by the company, directors and their relatives.

12.02 Building includes lease hold improvements of Rs. 14,59,705/- ( Previous year Rs. 1,4,59,705 /- )

12.03 In accordance with the Accounting Standard (AS-28) on "Impairment of Assets", the Management during the year carried out an exercise of identifying the assets that may have been impaired in respect of each cash generating unit in accordance with the said Accounting Standard. On the basis of this review carried out by the management, there was no impairment loss on Fixed Assets during the Year ended 31st March, 2014.



**NOTE 13**

**NON CURRENT INVESTMENTS**  
(Long Term Investments)

Particulars	Numbers / Ownership Interest		Face Value	As at March 31,	As at March 31,
	31.03.2014	31.03.2013		2014	2013
			Rs.	Amount in Rs.	Amount in Rs.
<b>Trade Investments</b>					
<b>(Unquoted, Fully Paid Up)</b>					
<b>In Capital of Associates</b>					
Artefact Inframing LLP-Capital A/c	49%	49%	-	49,000	49,000
Glowide Infradevelopment LLP-Capital A/c	49%	49%	-	49,000	49,000
Rising Minerals & Metals LLP-Capital A/c	49%	49%	-	49,000	49,000
<b>In Equity Shares of Associates Company</b>					
Valecha Badwani Sendhwa Tollways Limited	1,300,000	1,300,000	10	13,000,000	13,000,000
Add: Share in Profit/ (Loss)				(3,046,385)	(3,046,385)
<b>In Debentures of Associates Company</b>					
Valecha Badwani Sendhwa Tollways Limited				52,000,000	52,000,000
<b>In NSC-VIII</b>					
				15,000	10,000
	<b>Total</b>			<b>62,115,615</b>	<b>62,110,615</b>

**13.01** Aggregate amount of Unquoted Investments **62,115,615** 62,110,615

**13.02** Valecha Badwani Sendhwa Tollways Ltd. (VBSTL) is an associate of the Company, in which the Company's ownership interest is 26%. As per the management certified financial statements as at 31st March 2013 the Company's share in the loss of VBSTL aggregating to Rs. 3,046,385/- was recognised in the statement of profit and loss of the Company. The financial statements of VBSTL as on 31st March, 2013 were not approved in a validly constituted Board and shareholders' meetings. In spite of several letters and notices given to company, the associate filed financial statements with Registrar of Companies, Mumbai. As per these financial statements the Company's share in the loss of the VBSTL is Rs. 9,135,657/-. The Company has decided not to give the effect of these financial statements in the Consolidated Financial Statements of the Company. Further, since April 1, 2013 the Company has not received any financial information/results/statements from the associate and accordingly the Company's share in the profit/loss of VBSTL from 1st April 2013 to 31st March 2014 cannot be quantified and considered in these Financial Statements.

**13.03** **The pledge of investment** : 663,000 equity share of Valecha Badwani Sendhwa Tollways Ltd. are pledged with bank towards security of loans taken by Valecha Badwani Sendhwa Tollways Ltd.

**NOTE 14**

**LONG TERM LOANS & ADVANCES**  
(Unsecured and Considered Good)

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Loans and advances to related parties (Refer Note No.37)	2,233,429	5,828,381
Loans and advances to others	2,506,384	-
Security Deposits	6,452,826	3,957,616
Capital advance -Related Parties (Refer Note No. 37)	-	15,404,453
Capital advance -Others	1,400,000	6,015,000
Advance Payment of Income Tax (Net)	66,572,698	47,468,360
MAT Credit Entitlement	5,964,908	4,011,834
Others	1,283,025	3,096,130
<b>Total</b>	<b>86,413,270</b>	<b>85,781,774</b>



**14.01** Presently the company is liable to pay MAT under section 115JB of the Income Tax Act,1961 (The Act) and the amount paid as MAT is allowed to be carried forward for being set off against the future tax liabilities computed in accordance with the provisions of the Act,other than section 115JB,in next ten years.Based on future projection of the performances, the company will be liable to pay the income tax computed as per provisions, other than under section 115 JB of the Act. Accordingly as advised in Guidance Note on "Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act,1961" issued by the Institute of Chartered Accountants of India Rs. 1,953,074/- being the excess of tax payable u/s 115 JB of the Act over tax payable as per the provision other than section 115 JB of the Act has been considered as MAT credit entitlement and credited to the Statement of Profit and Loss. The aggregate MAT Credit Entitlement available to the Company as on 31st March, 2014 is Rs. 5,964,908 (Previous Year Rs. 4,011,834).

**NOTE 15**

**OTHER NON CURRENT ASSETS**

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Long Term Trade Receivable (Retention Money)	-	4,655,512
<b>Total</b>	-	4,655,512

**NOTE 16**

**CURRENT INVESTMENTS**

Particulars	As at March 31, 2014	As at March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
<b>Trade Investments</b>		
<b>(Unquoted, Fully Paid Up)</b>		
<b>In Capital of Associates</b>		
Artefact Inframing LLP-Current A/c	2,921,708	31,827,500
Glowide Infradevelopment LLP-Current A/c	5,663,409	12,660,000
Rising Minerals & Metals LLP-Current A/c	18,956,246	6,059,832
<b>Total</b>	<b>27,541,363</b>	50,547,332

**16.01** Aggregate amount of Unquoted Investments 27,541,363 50,547,332

**NOTE 17**

**INVENTORIES**

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Contracts in Progress	44,978,178	-
<b>Total</b>	<b>44,978,178</b>	-

**NOTE 18****TRADE RECEIVABLES**

(Unsecured, Considered Good and Subject to Confirmations)

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Outstanding for a period exceeding six months	170,721,498		99,815,198	
Other receivables	135,730,914	306,452,412	141,498,433	241,313,631
<b>Total</b>		<b>306,452,412</b>		<b>241,313,631</b>

**18.01** The amount outstanding for a period exceeding six months mainly includes amount receivable from government departments predominantly from NHAI,MMRDA , AAI etc and are in relation to execution of contract services, deployment of additional personnel, price escalations etc.The services have been provided on express written orders and procedural delays in respect of reconciliation of accounts & disbursement of funds at government departments are normal. Further, it includes Rs. 60,108,004/- in respect of consultancy contracts for which the final bills are yet to be submitted and amount are receivable as per the running bills. Accordingly, management is of the view that all these amounts are good for recovery and no provision for doubtful debts is required.

**18.02** In respect of Airport Authority of India (AAI), one of the client of the company, the company's invoice has not been accepted to an extent of Rs. 85.11 lacs citing certain minutes of their internal meeting held prior to contract execution as reason for rejection. According to the Management of the company, all the invoices raised by company are as per the contract entered with AAI for Architectural Design for Trivandrum International Airport. AAI has some interpretation clarifications in the terms of contract which the company feels are totally unsustainable. Accordingly company has sought legal clarification and filed an appeal for arbitration. The management is of the view that the action of AAI is ultra-virus and devoid of any contractual logic as well as the executed contract and agreement ab initio. Accordingly the whole amount receivable from AAI is considered good for recovery.

**NOTE 19****CASH AND BANK BALANCES**

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Cash and Cash Equivalents				
Balances with Banks - In Current Accounts	4,979,822		8,154,949	
Cheques in Hand	17,665,400		2,857,504	
Cash on hand	2,352,722	24,997,944	1,856,435	12,868,888
Other Bank Balances				
Earmarked Balances - Unpaid dividend accounts	487,064		606,836	
Fixed Deposits with Banks*#	16,006,384	16,493,448	16,436,109	17,042,945
<b>Total</b>		<b>41,491,392</b>		<b>29,911,833</b>

\* Includes Rs. 15,069,813 (Previous year Rs. 16,236,109) pledged with Bank as margin money for Over draft and bank guarantees facilities

# Includes Rs. 3,700,000 (Previous Year Rs.8,117,109) having maturity period of more than 12 months.

**NOTE 20****SHORT TERM LOANS AND ADVANCES**

(Unsecured and Considered good)

Particulars	As on March 31, 2014		As on March 31, 2013	
	(Amount in Rs.)		(Amount in Rs.)	
Advances to Related Parties (Refer Note No. 37)		12,704,870		43,597,312
Deposits		1,321,510		2,552,290
Cenvat / Service tax input credit entitlement		19,105,272		11,022,510
Prepaid Expenses		149,065		-
Others *		37,907,836		10,020,215
<b>Total</b>		<b>71,188,553</b>		<b>67,192,327</b>

\* Mainly includes Advance to vendors, Advance For Expenses, Employee Advances etc.



NOTE 21

OTHER CURRENT ASSETS

Particulars	As on March 31, 2014	As on March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Unbilled Income	-	4,541,310
<b>Total</b>	<b>-</b>	<b>4,541,310</b>

NOTE 22

REVENUE FROM OPERATIONS

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Sales of Manganese Ore and Dolomite	19,229,623	11,583,908
Income From Project Management and Consultancy Services	188,503,404	132,871,302
Income From EPC Contract	151,701,760	218,172,018
Income From Mining Contracts	21,063,491	40,021,750
<b>Total</b>	<b>380,498,278</b>	<b>402,648,978</b>

NOTE 23

OTHER INCOME

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Interest Income on		
- Fixed Deposits with banks	1,438,898	2,529,246
- Income Tax Refund	138,064	214,927
- Others	13,064,782	-
Rent Income	1,543,675	862,414
Balances written back	-	366,822
Profit on Sale of Fixed Assets	-	97,277
Miscellaneous Income	40,120	84,146
<b>Total</b>	<b>16,225,539</b>	<b>4,154,832</b>



## NOTE 24

## PROJECT EXPENSES

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
Sub-contract Expenses		158,902,267	201,377,766
Site & Survey Expenses		4,274,096	4,364,565
Power & Electricity		1,021,952	1,051,843
Rent		5,122,072	4,933,661
Insurance		935,014	714,611
Travelling & Conveyance			
Site Taxi Hire charges	12,485,293	7,256,587	
Others	<u>6,737,724</u>	<u>19,223,017</u>	<u>13,712,973</u>
Communication Expenses		1,933,448	1,639,385
Computer & Software Expenses		395,198	359,147
Inspection Charges		-	45,000
Security Charges		385,162	151,936
Repairs & Maintenance at sites-			
Buildings	2,096,317	768,660	
Plant and Equipments	1,007,224	924,972	
Others	<u>1,508,244</u>	<u>4,611,785</u>	<u>3,851,935</u>
Other Project Expenses		189,719	-
<b>Total</b>		<b><u>196,993,730</u></b>	<b><u>232,202,822</u></b>

## NOTE 25

## PURCHASES

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
Purchases - Manganese Ore and Dolomite		17,654,037	10,401,028
<b>Total</b>		<b><u>17,654,037</u></b>	<b><u>10,401,028</u></b>

## NOTE 26

## CHANGES IN INVENTORY OF CONTRACTS IN PROGRESS

Particulars	Year Ended March 31, 2014		Year Ended March 31, 2013
	(Amount in Rs.)		(Amount in Rs.)
Closing Inventories		44,978,178	-
Contracts In Progress			
Opening Inventories		-	-
Contracts In Progress			
<b>Increase In Inventory</b>		<b><u>44,978,178</u></b>	<b><u>-</u></b>





NOTE 27

EMPLOYEES BENEFIT EXPENSES

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Salaries, Wages and Allowances	59,563,004	44,816,410
Contribution to P.F and Other Funds	616,871	520,901
Welfare and Other Amenities	770,328	566,770
<b>Total</b>	<b>60,950,203</b>	<b>45,904,081</b>

27.01 As per Accounting Standard 15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
<b>Defined Contribution Plan</b>		
Employer's Contribution to Provident Fund, ESIC and Other Funds	<b>616,871</b>	520,901

**Defined Benefit Plan**

The employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of Opening and Closing balance of Defined Benefit Obligation.	Gratuity (Non- Funded)	Gratuity (Non- Funded)
	(Amount in Rs.)	(Amount in Rs.)
Defined Benefit Obligation at the beginning of the year	663,014	897,956
Current Service Cost	129,914	136,359
Interest Cost	49,983	74,081
Actuarial Losses / (Gain)	(50,744)	(445,382)
Past Service Cost	-	-
Benefits Payable	(91,889)	-
<b>Amount Recognised in the Balance Sheet</b>	<b>700,278</b>	<b>663,014</b>

Expense recognized in Statement of Profit and Loss	Year Ended March 31, 2014	Year Ended March 31, 2013
	Current Service Cost	129,914
Interest on Defined Benefit Obligation	49,983	74,081
Net Actuarial Losses / (Gains) Recognised in year	(50,744)	(445,382)
Past Service Cost	-	-
<b>Total included in "Remuneration and benefits to Employees "</b>	<b>129,153</b>	<b>(234,942)</b>

Actuarial Assumptions	31.03.2013	31.03.2012
	LIC (1994-96) Published Table	LIC (1994-96) Published Table
Mortality Table (LIC)		
Discount rate (per annum)	9.10%	8.10%
Expected Rate of escalation in Salary (per annum)	6.50%	6.50%

Particulars	Amounts for the current and previous periods as follows		Amounts for the current and previous periods as follows		
	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
Defined Benefit Obligation	700,278	663,014	897,956	1,139,566	1,111,424
Experience Adjustment on plan liabilities Gain / (Loss)	(10,992)	454,397	*	*	*

\* Details are not readily available in the Actuarial report taken by the company and hence are not furnished.

**NOTE 28****FINANCE COSTS**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Interest expenses	40,840,575	33,081,575
Other Borrowing Costs	2,649,862	1,366,626
<b>Total</b>	<b>43,490,437</b>	<b>34,448,201</b>

**NOTE 29****OTHER EXPENSES**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Rates & Taxes	547,482	151,286
Printing & Stationery	1,207,661	965,374
Legal & Filing Fees	877,874	527,471
Tender Expenses	65,289	599,312
Electricity Charges	876,995	822,226
Advertisement & Sales Promotion	105,151	139,031
Payment to Auditors	1,764,333	1,761,829
Donations	38,000	14,601
Loss on Sale of Fixed Assets (Net)	1,038,519	-
Balances written off (Net)	4,086,267	-
Investments written off	-	200,000
Miscellaneous Expenses	3,077,239	3,000,257
<b>Total</b>	<b>13,684,810</b>	<b>8,181,387</b>

**29.01 Break up of Payment to Auditors**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount in Rs.)	(Amount in Rs.)
Audit Fees	1,196,000	1,361,829
Tax Audit Fees	105,000	100,000
Certification and Other Matters	463,333	300,000
<b>Total</b>	<b>1,764,333</b>	<b>1,761,829</b>

**NOTE 30****DETAILS OF EXPENDITURES IN FOREIGN CURRENCY**

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amount In Rs.)	(Amount In Rs.)
Technical Knowhow and Services	-	233,333
Travelling	-	248,951
<b>Total</b>	<b>-</b>	<b>482,284</b>



**NOTE 31**

**DETAILS OF PRIOR PERIOD EXPENDITURES**

Particulars	Year Ended March 31, 2014 (Amount In Rs.)	Year Ended March 31, 2013 (Amount In Rs.)
Security Expenses	-	5,000
Site office expenses	-	3,940
Electricity Expenses	-	2,373
Communication Expenses	535	-
Travelling & Conveyance	67,813	-
Repairs & Maintenance	9,909	-
Payments to Sub Consultants	42,143	-
<b>Total</b>	<b>120,400</b>	<b>11,313</b>

Note : The profits for the year is lower by Rs. 120,400/- (Previous year Rs. 11,313/-)

**NOTE 32**

**EARNINGS PER SHARE (EPS)**

Particulars		Year Ended March 31, 2014 (Amount in Rs.)	Year Ended March 31, 2013 (Amount in Rs.)
Net Profit/(loss) after tax attributable to equity shareholders	(A)	9,766,813	15,502,810
Weighted average number of equity shares outstanding (Nos.)	(B)	5,525,000	5,525,000
Basic & Diluted Earnings Per Share of Rs.10/- each	(A) / (B)	1.77	2.81

32.02 Since shares to be issued against the conversion of 0% optionally convertible debentures can not be ascertain for the reasons mentioned in note no. 5.03. The same are not considered for calculation of Diluted Earning per share.

**NOTE 33**

**CONTINGENT LIABILITIES AND COMMITMENTS**

(To the extent not provided for)

Particulars	Year Ended March 31, 2014 (Amount in Rs.)	Year Ended March 31, 2013 (Amount in Rs.)
<b>(a) Contingent Liabilities :</b>		
(i) Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation. No cash outflow is expected.)	59,128,066	67,407,442
(ii) Disputed Income tax demand pusuing to the block assessment orders * ( The company has filed an appeal and does not expect any cash outflow ) (Amount deposited - Rs. 2,000,877/- (Previous year-NIL)) * Includes Rs. 7,403,436 in respect of Joint venture	44,672,201	44,672,201
(iii) Third Party Claims (Matters are pending before various forums.No cash outflow is expected)	1,208,584	1,695,100
(iv) Shares pledged with bank towards security of loans taken by associate	6,630,000	6,630,000
<b>(b) Capital Commitments :</b>		
Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (net of advances) (Cash flow is expected on execution of such capital contracts on progressive basis) * LLP has acquired land for Mineral processing plant , obtained required registration & NOC. Total proposed project cost Rs. 175 Lacs	*13529640	*18852365



**NOTE 34** In the opinion of the management, Current Assets, Loans and Advances are of the value stated, if realised in the ordinary course of business.

**NOTE 35** The company has not entered into derivate contracts during the year. Foreign Currency exposures that are not hedged by derivatives instruments are as under :

a) Receivables	-	-
b) Payable :	-	90,000

**NOTE 36**

**SEGMENT REPORTING**

**A. Segment information as per Accounting Standard - 17 on Segment Reporting :**

Information provided in respect of revenue items for the year ended 31st March 2014 and in respect of assets / liabilities as at 31st March, 2014.  
Information about primary (product wise) segments:

Particulars	PMC	EPC	Mining	Unallocated	Total
<b>1 REVENUE</b>					
Revenue from External Customers	203,394,182 (141,254,077)	151,701,760 (218,172,018)	38,590,378 (47,203,124)	- (-)	393,686,320 (406,629,219)
Inter-segment Revenue	30,424,600 (23,000,000)	- (-)	- (-)	- (-)	30,424,600 (23,000,000)
<b>Total Revenue</b>	<b>172,969,582</b> (118,254,077)	<b>151,701,760</b> (218,172,018)	<b>38,590,378</b> (47,203,124)	- (-)	<b>363,261,720</b> (383,629,219)
<b>2 RESULTS</b>					
Segment Results	38,479,316 (45,713,668)	32,797,931 (7,381,301)	(815) (16,778,171)	- (-)	71,276,431 (69,873,140)
Unallocated Corporate Expenses	- (-)	- (-)	- (-)	9,890,483 (4,598,575)	9,890,483 (4,598,575)
Managerial Remuneration	- (-)	- (-)	- (-)	8,755,262 (7,293,000)	8,755,262 (7,293,000)
<b>Operating Profit / (Loss)</b>					<b>52,630,686</b> (57,981,565)
Interest Income	- (-)	- (-)	- (-)	16,225,539 (2,744,159)	16,225,539 (2,744,159)
Finance Costs	- (-)	- (-)	- (-)	43,490,437 (34,016,414)	43,490,437 (34,016,414)
Tax Expenses (including Deferred tax)	- (-)	- (-)	- (-)	13,410,354 (8,453,175)	13,410,354 (8,453,175)
<b>Net Profit / (-) Loss</b>					<b>11,955,434</b> (18,256,135)
<b>3 OTHER INFORMATION</b>					
Segment Assets	<b>311,567,049</b> (263,768,923)	<b>105,262,964</b> (75,757,637)	<b>122,239,179</b> (113,897,648)	- (-)	<b>539,069,192</b> (453,424,208)
Unallocated Corporate Assets	- (-)	- (-)	- (-)	<b>381,103,895</b> (373,551,284)	<b>381,103,895</b> (373,551,284)
<b>Total Assets</b>					<b>920,173,087</b> (826,975,492)
Segment Liabilities	<b>111,102,279</b> (72,408,288)	<b>53,016,017</b> (37,400,822)	<b>31,660,493</b> (28,934,333)	- (-)	<b>195,778,790</b> (138,743,443)
Unallocated Corporate Liabilities	- (-)	- (-)	- (-)	<b>344,689,831</b> (318,316,867)	<b>344,689,831</b> (318,316,867)
<b>Total Liabilities</b>					<b>540,468,621</b> (457,060,310)
Capital Expenditure	<b>5,555,580</b> (4,523,113)	- (-)	<b>10,968,174</b> (1,793,401)	- (-)	<b>16,523,754</b> (6,316,514)
Depreciation/amortisation	<b>4,455,545</b> (6,651,882)	- (961,194)	<b>1,056,348</b> (1,887)	<b>4,213,630</b> (3,741,488)	<b>9,725,523</b> (11,356,451)

Note : Figures in brackets represent previous year's amounts.



**B. Segment Identification, Reportable Segments and definition of each segment :**

**I. Primary / Secondary Segment Reporting Format :**

- a) The risk-return profile of the Company's business is determined predominantly by the nature of its products. Accordingly, the business segments constitute the Primary Segments for disclosure of segment information.
- b) Since all the operations of the Company are predominantly conducted within India, there are no separate reportable geographical segments.

**ii. Reportable Segments :**

Segments have been identified and reported taking into account the differing risks and returns, nature of products, the organisational structure and the internal reporting system of the Company.

**iii. Segment Composition :**

- a) Project Management Consultancy (PMC) segment is engaged in Designing, Consultancy and Operation & Maintenance of Projects.
- b) Engineering, Procurement and Construction (EPC) segment is engaged in providing EPC services
- c) Mining comprises Mining Contract Services & Trading of minerals

**NOTE 37**

**RELATED PARTY DISCLOSURES:**

**A. List of related parties :**

(As certified by the Company)

**I Associates**

Glowide Infradevelopment LLP  
Rising Minerals & Metals LLP  
Artefact Inframing LLP  
Valecha Badwani Sendhwa Tollways Ltd.

**II Joint Ventures**

Zaidun Leeng Sdn. Bhd. - Artefact Projects  
Sheladia Associates Inc. - Artefact Projects - Zaidun Leeng Sdn. Bhd.  
Meinhardt Singapore Pte. Ltd. - Artefact Projects

**III Key Management Personnel and Their Relatives**

Mr. Manoj B. Shah - Managing Director  
Mr. Pankaj B. Shah - Whole Time Director  
Mr. Siddhardh Shah -Whole Time Director (w.e.f. 06.07.2013)  
Mr. Nilesh Jain - Chief Financial Officer (w.e.f. 13.08.2013)  
Mr. Chetan B. Shah - Relative of Key Management Personnel  
Ms. Ankita Shah -Relative of Key Mangement Personnel  
Mrs. Madhavi M Shah -Relative of Key Mangement Personnel

**IV Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :**

**(Other related parties)**

Artefact Towers Association  
Koradi Minerals Private Limited  
Rising Minerals & Ferro Alloys Pvt Ltd.  
Glowide Infrastructure Pvt. Ltd.



**B. Transactions with Related Parties :**

Nature of transaction	Associates	Joint Ventures	Other Related Parties	Key Management Personnel & their Relatives	Total
<b>Investments in shares</b>					
Purchased during the year	-	-	-	-	-
	( - )	( - )	( - )	(2,942,000)	(2,942,000)
Closing Balance as on 31st March, 2014	-	-	-	-	-
	( - )	( - )	( - )	( - )	-
<b>Revenue from Operations</b>					
	-	28,374,839	1,851,468	-	30,226,307
	(49,763,362)	(26,788,573)	(5,089,908)	( - )	(81,641,843)
<b>Debenture Application Money</b>					
Opening balance	-	-	-	-	-
	(37,024,000)	( - )	( - )	( - )	(37,024,000)
Given during the year	-	-	-	-	-
	(14,976,000)	( - )	( - )	( - )	(14,976,000)
Debentures allotted	-	-	-	-	-
	(52,000,000)	( - )	( - )	( - )	(52,000,000)
Balance as on 31st March 2014	-	-	-	-	-
	( - )	( - )	( - )	( - )	( - )
<b>Short Term Borrowings</b>					
Opening balance	-	-	-	-	-
	( - )	( - )	( - )	( - )	( - )
Taken during the year	-	-	-	22,630,000	22,630,000
	( - )	( - )	( - )	(11,324,500)	(11,324,500)
Refunded during the year	-	-	-	14,365,043	14,365,043
	( - )	( - )	( - )	(19,536,500)	(19,536,500)
Balance as on 31st March 2014	-	-	-	8,264,957	8,264,957
	( - )	( - )	( - )	( - )	( - )
<b>Security Deposits</b>					
	-	-	102,000	-	102,000
	( - )	( - )	(102,000)	( - )	(102,000)
<b>Long Term Loans and Advances</b>					
Balance as on 31st March 2014	-	2,233,429	-	-	2,233,429
	( - )	(5,828,381)	( - )	( - )	(5,828,381)
<b>Short Term Loans and Advances</b>					
Opening Balance as on 01.04.2013	35,723,435	7,555,107	318,770	-	43,597,312
	( - )	(1,921,811)	(196,000)	( - )	(2,117,811)
Given during the year	1,950,250	18,055,369	1,679,656	-	21,685,275
	(46,501,850)	(20,517,097)	(122,770)	( - )	(67,141,717)
Received during the year	37,673,685	12,905,606	1,998,426	-	52,577,717
	(10,778,415)	(14,883,801)	( - )	( - )	(25,662,216)
Balance as on 31st March 2014	-	12,704,870	-	-	12,704,870
	(35,723,435)	(7,555,107)	(318,770)	( - )	(43,597,312)
<b>Trade Receivables</b>					
Balance as on 31st March 2014	-	43,960,632	-	-	43,960,632
	(31,910,789)	(42,088,038)	( - )	( - )	(42,088,038)



<b>Employee Benefits Expenses</b>					
Payment of Salaries / Perquisites	-	-	-	9,572,045	9,572,045
	( - )	( - )	( - )	(7,293,000)	(7,293,000)
<b>Other current liabilities</b>	-	4,156,968	-	-	4,156,968
	( - )	(79,591)	( - )	( - )	(79,591)
<b>Repair and Maintenance</b>	-	-	1,072,515	-	1,072,515
	( - )	( - )	(665,094)	( - )	(665,094)
<b>Reimbursement of Expenses</b>	-	-	7,836,963	-	7,836,963
	( - )	( - )	( - )	( - )	( - )
<b>Interest Income</b>	13,078,206	-	-	-	13,078,206
	( - )	( - )	( - )	( - )	( - )
<b>Account Written off</b>	46,584	-	-	-	46,584
	( - )	( - )	( - )	( - )	( - )
<b>Advance Received</b>					
Balance as on 31st March 2014	-	-	-	-	-
	( - )	( - )	(109,319)	( - )	(109,319)
<b>Capital Advance</b>					
Opening Balance as on 01.04.2013	-	-	15,404,453	-	15,404,453
	( - )	( - )	(11,477,453)	( - )	(11,477,453)
Given during the year	-	-	2,918,547	-	2,918,547
	( - )	( - )	(14,927,000)	( - )	(14,927,000)
Received during the year	-	-	18,323,000	-	18,323,000
	-	( - )	(11,000,000)	( - )	(11,000,000)
Balance as on 31st March 2014	-	-	-	-	-
	( - )	( - )	(15,404,453)	( - )	(15,404,453)
<b>Non Current Investments made/Purchase during the year</b>	-	-	-	-	-
	(52,148,000)	( - )	( - )	( - )	( - )
<b>Non Current Investments</b>					
Balance as on 31st March 2014	65,147,000	-	-	-	65,147,000
	(65,147,000)	( - )	( - )	( - )	(65,147,000)
<b>Current Investment</b>					
Current Investments Made	170,037,448	-	-	-	170,037,448
	(20,951,568)	( - )	( - )	( - )	(20,951,568)
Current Investments Withdrawn	190,877,266	-	-	-	90,877,266
	( - )	( - )	( - )	( - )	( - )
Current Investments as on 31st March 2014	29,394,250	-	-	-	29,394,250
	(50,234,068)	( - )	( - )	( - )	(50,234,068)

Note : Figures in brackets represent previous year's amounts.

**C: Details of major transactions with Related Parties :**

		Year Ended 31.03.2014 (Amount In Rs.)	Year Ended 31.03.2013 (Amount In Rs.)
<b>Investment In Share/ Debentures</b>			
- Purchased during the year			
	Manoj B. Shah	-	1105000
	Pankaj B. Shah	-	1305000
	Madhavi M. Shah	-	401000
<b>Short Term Borrowings</b>			
- Taken during the year			
	Pankaj Balkrishna Shah	9,090,000	3,316,000
	Chetan Balkrishna Shah	-	8,008,500
	Manoj Balkrishna Shah	13,540,000	-
- Refunded during the year			
	Pankaj Balkrishna Shah	8,164,407	8,316,000
	Chetan Balkrishna Shah	-	8,080,500
	Manoj Balkrishna Shah	6,200,636	3,140,000
- Balance as on 31st March,2014			
	Pankaj Balkrishna Shah	925,593	-
	Chetan Balkrishna Shah	-	-
	Manoj Balkrishna Shah	7,339,364	-
<b>Debenture Application Money</b>			
<u>Valecha Badwani Sendhwa Tollways Ltd.</u>			
Opening Balance		-	37024000
Received during the year		-	14976000
Debentures allotted		-	52000000
Balance as on 31st March,2014		-	-
<b>Security Deposit</b>			
- Balance as on 31st March,2014	Artefact Tower Association	102,000	102,000
<b>Long Term Loans and Advances</b>			
- Balance as on 31st March 2014			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	-	3,091,200
	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	1,099,614	1,470,375
	Meinhardt Singapore Pte. Ltd. - Artefact Projects	1,133,815	1,266,806
<b>Short Term Loans &amp; Advances</b>			
Opening Balance as on 01.04.2013			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	5,935,205	301,909
	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	1,619,902	1,619,902
	Koradi Minerals Private Limited	2,770	-
Given during the year			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	18,045,849	20,517,097
	Koradi Minerals Private Limited	-	2,770
Received during the year			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	12,905,606	14,883,801
Balance as on 31st March 2014			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	11,075,448	5,935,205
<b>Short Term Loans &amp; Advances</b>			
Opening Balance			
	Rising Mineral & Ferro Alloys Ltd.	196,000	196,000
	Koradi Mineral Private Limited	120,000	-
	Rising Minerals & Metals LLP	35,723,435	-





	Atlas Infrastrucutre Private Limited	-	-
Given during the year	Rising Mineral & Ferro Alloys Ltd.	-	-
	Koradi Mineral Private Limited	828,906	120,000
	Rising Minerals & Metals LLP	1,950,250	46,501,850
	Atlas Infrastrucutre Private Limited	850,750	
Received during the year	Rising Mineral & Ferro Alloys Ltd.	196,000	-
	Koradi Mineral Private Limited	948,906	
	Rising Minerals & Metals LLP	37,673,685	10,778,415
	Atlas Infrastrucutre Private Limited	850,750	-
Balance as on 31st March 2014	Rising Mineral & Ferro Alloys Ltd.	-	196,000
	Koradi Mineral Private Limited	-	120,000
	Rising Minerals & Metals LLP	-	35,723,435
	Atlas Infrastrucutre Private Limited	-	-
<b>Trade Receivables</b>			
- Balance as on March 31, 2013	Zaidun Leeng Sdn. Bhd.- Artefacts Projects	43,960,632	41,510,878
	Rising Minerals & Metals LLP	-	31,910,789
<b>Other current liabilities</b>	Zaidun Leeng Sdn. Bhd.- Artefact Projects	4,096,954	-
<b>Revenue from Operations</b>			
- Income from Project Management and Consultancy Services	Zaidun Leeng Sdn. Bhd.- Artefacts Projects JV	28,374,839	25,321,675
	Rising Minerals & Metals LLP	-	49,763,362
<b>Employee Benefits Expenses</b>			
- Payment of Salaries/ Perquisites	Mr. Manoj B. Shah	2,747,250	2,511,000
	Mr. Pankaj B. Shah	2,777,250	2,391,000
	Mr. Siddhardh P Shah	486,935	-
<b>Repair and Maintenance</b>	Artefact Towers Association	1,072,515	665,094
<b>Reibursement of Expenses</b>	Glowide Infrastructure Private Limited	7,570,719	-
<b>Interest Income</b>	Rising Minerals & Metals LLP	3,864,604	-
	Glowide infradevelopment LLP	6,603,471	-
	Artefact Infamining LLP	2,610,131	-
<b>Accounts Written off</b>	Valecha Badwani Sendhwa Tollways	46,584	-
<b>Advance Received</b>	Koradi Mineral Private Limited	-	11,890
Balance as on 31st March 2014	Rising Mineral & Ferro Alloys Ltd.	-	97,429
<b>Debenture Application Money</b>			
Opening Balance	Valecha Badwani Sendhwa Tollways	-	37,024,000
Given during the year		-	14,976,000
Debenture Alloted		-	52,000,000
Balance as on 31st March 2014		-	-
<b>Non Current Investments Made/Purchase</b>	Valecha Badwani Sendhwa Tollways Limited	-	52,000,000
<b>Non Current Investments as on 31st March 2014</b>	Valecha Badwani Sendhwa Tollways Limited	65,000,000	65,000,000
<b>Current Investments</b>			



Current Investments Made	Glowide infradevelopment LLP	<b>86,895,323</b>	12,760,000
	Artefact Inframing LLP	<b>11,397,238</b>	-
	Rising Minerals & Metals LLP	<b>71,744,887</b>	8,191,568
Current Investments Withdrawn	Glowide infradevelopment LLP	<b>78,955,125</b>	-
	Artefact Inframing LLP	<b>40,303,030</b>	-
	Rising Minerals & Metals LLP	<b>71,619,111</b>	-
Current Investments as on 31st March 2014	Glowide infradevelopment LLP	<b>20,600,198</b>	12,660,000
	Artefact Inframing LLP	<b>2,921,708</b>	31,827,500
	Rising Minerals & Metals LLP	<b>5,872,344</b>	5,746,568
<b>Capital Advance</b>	Rising Mineral & Ferro Alloys Ltd.		
Opening Balance		<b>15,404,453</b>	11,477,453
Given during the year		<b>2,918,547</b>	14,927,000
Received during the year		<b>18,323,000</b>	11,000,000
Balance as on 31st March 2014		-	15,404,453

**NOTE 38****JOINT VENTURE ACCOUNTING:**

## Jointly Controlled Operations

- (i) The Company has entered in to Joint Ventures (JVs) in respect of certain projects with various bodies corporates. The share in the residual profit remaining after sharing of receipts in proportion to the extent of services rendered is in the ratio as under -

Name of the Joint Venture	Company's Share in residual profits		Other Partners' Participating Interest	
	As on 31st March, 2014	As on 31st March, 2013	As on 31st March, 2014	As on 31st March, 2013
Zaidun Leeng Sdn. Bhd. - Artefacts Projects	60%	60%	40%	40%
Sheladia Associates Inc. - Artefacts Projects- Zaidun Leeng Sdn. Bhd.	65%	65%	35%	35%
Meinhardt Singapore Pte. Ltd. - Artefact Projects	95%	95%	5%	5%

- (ii) The Company's share in the total value of the assets and liabilities as at Rs 31.03.2014 is Rs. 98,371,772 (Previous year Rs.92,659,946/-) and Rs. 80,936,746 (Previous Year Rs.77,287,463/-) respectively and in the income, expenditure and net profit/(Loss) before tax for the year ended 31.03.2014 of the above Joint Ventures amounts to Rs. 53,749 (Previous Year Rs.5,681,625), Rs. 5,408,406 (Previous Year Rs.53,69,333) and Rs. (5,354,658) (Previous year Rs.312,293/-) respectively. The figures have been incorporated based on the audited financial statements received from the jointly controlled operations.

**NOTE 39**

Previous Year's figures have been reworked /regrouped / rearranged / reclassified wherever necessary to make them comparable with those of current year.

As per our Report of even date

For and on behalf of Board of Directors

**For CHATURVEDI & SHAH**  
Chartered Accountants

**R. KORIA**  
Partner

**MANOJ B SHAH**  
Managing Director

**PANKAJ B SHAH**  
Whole Time Director

Mumbai, May 29, 2014

**For NARESH PATADIA & CO.**  
Chartered Accountants

**LUCKY A POPLI**  
Company Secretary

**NILESH JAIN**  
Chief Financial Officer

**NARESH PATADIA**  
Proprietor

Nagpur, May 29, 2014

Nagpur, May 29, 2014



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING  
TO SUBSIDIARY COMPANY**

**AS ON 31<sup>ST</sup> MARCH 2014**

Name of Subsidiary	Artefact Infrastructure Ltd.
Number of Shares held and extent of holding thereof by the holding company as on 31.3.2014	
(a) The number of equity shares of Rs 10/- each fully paid up	49,00,000
(b) Extent of Holding in Percentage terms.	100%
The net aggregate profits or (losses) of the subsidiary company of the current financial year so far as it concerns the member of the holding company.	8801084
(a) Dealt with or provided in the accounts of the holding company	8801084

**FINANCIAL INFORMATION REGARDING SUBSIDIARY COMPANIES**

**FOR THE FINANCIAL YEAR 2013-14**

Sr. No.	Name of The subsidiary Company	Artefact Infrastructure Ltd.
1.	Capital	49,000,000/-
2.	Reserves & Surplus	22,543,818/-
3.	Total Assets	331,314,625/-
4.	Total Liabilities	331,314,625/-
5.	Investment (except in case of investment in subsidiaries)	62,115,615/-
6.	Turnover	190,292,138/-
7.	Other Income	13,593,185/-
8.	Profit before tax	17,985,477/-
9.	Provision for Tax	7,026,098/-
10.	Deferred tax Income	30,327/-
11.	Profit after Tax	10,989,705/-



**ARTEFACT PROJECTS LIMITED**

(CIN: L65910MH1987PLC044887)

Regd office: Artefact Towers, 54/3, Chhatrapati Square, Wardha Road, Nagpur 440015  
Phone No.: +91-712-3025120; Fax No. +91-712-3025128; Website: www.artefactprojects.com  
Email: artefactngp@artefactprojects.com, info@artefactprojects.com

**ATTENDANCE SLIP**

**26<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER, 2014**

<b>Registered Folio/DP ID &amp; Client ID</b>	
<b>Name and address of the shareholder(s)</b>	
<b>Joint Holder 1</b> <b>Joint Holder 2</b>	
<b>No. of shares held</b>	

I/we hereby record my/our presence at the 26<sup>th</sup> Annual General Meeting of the Company held at “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 on Monday, 29<sup>th</sup> September, 2014 at 11.00 a.m.

.....  
Member’s/Proxy’s name (in Block Letters)

.....  
Member’s/Proxy’s Signature

Note:

1. Please fill in the Folio/DP ID-Client ID No., name and sign this Attendance Slip and hand it over at the Attendance Verification Counter at the **ENTRANCE OF THE MEETING HALL**.
2. Please read the instructions for e-voting given along with Annul Report. The Voting period starts from Thursday, 18<sup>th</sup> September, 2014 (9.00 a.m.) and ends on Saturday, 20<sup>th</sup> September, 2014 (6.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.



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Email: [artefactngp@artefactprojects.com](mailto:artefactngp@artefactprojects.com), [info@artefactprojects.com](mailto:info@artefactprojects.com)

**PROXY FORM**

**[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

**26<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>TH</sup> SEPTEMBER, 2014**

Name of the member (s): \_\_\_\_\_

Name of the Joint holder, if any: \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client ID / DP ID: \_\_\_\_\_

I/We being a member(s) of \_\_\_\_ Shares of the above named Company hereby appoint:

(1) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(2) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;

(3) Name \_\_\_\_\_

Address \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 29<sup>th</sup> September, 2014 at 11.00 a.m. at “**Artefact Towers**”, **54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015** and at any adjournment thereof in respect of such resolutions as are indicated below:



Item No.	Resolutions	Vote (Optional see Note 2) (Please mention no. of share)			
		For	Against	Abstain	
	<b>Ordinary Business:</b>				
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors' and of the Auditors'.				
2	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2014.				
3	Ordinary Resolution for appointment of a director in place of Mr. Pankaj B. Shah, Whole-Time Director, who retires by rotation and being eligible, offers himself for re-appointment.				
4	Ordinary Resolution for re-appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (having FRN: 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (having FRN: 106936W) as Joint Statutory Auditors of the Company to hold office from the conclusion of 26 <sup>th</sup> Annual General Meeting upto the conclusion of 29 <sup>th</sup> Annual General Meeting and to fix their remuneration.				
	<b>Special Business:</b>				
5	Ordinary Resolution for appointment of Mr. Sandeep M. Batta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.				
6	Ordinary Resolution for appointment of Mr. Ashok Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.				
7	Ordinary Resolution for appointment of Mr. Deepak Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.				
8	Ordinary Resolution for appointment of Mr. Mohandas Adige as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.				
9	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limit of the Company upto ₹ 100 Crores.				
10	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to authorities Board of Directors of the Company to create charge / mortgage / hypothecation on all or any of the immovable and / or movable assets of the Company, both present and future upto an amount as approved by the Shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.				
Signed this _____ day of _____, 2014		<table border="1"><tr><td>Affix Revenue Stamp ₹ 0.15</td></tr></table>			Affix Revenue Stamp ₹ 0.15
Affix Revenue Stamp ₹ 0.15					
Signature of shareholder _____					
Signature of Proxy holder(s) _____					

**Note:**

1. This form of proxy in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deemed appropriate.



**ARTEFACT PROJECTS LIMITED**

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 Email: artefactngp@artefactprojects.com, [info@artefactprojects.com](mailto:info@artefactprojects.com)

**ASSENT/DISSENT FORM FOR VOTING ON AGM RESOLUTIONS  
 26<sup>th</sup> ANNUAL GENERAL MEETING ON 29<sup>th</sup> SEPTEMBER, 2014**

1.	Name & Registered Address of Shareholder (IN BLOCK LETTER)			
2.	Name(s) of Joint holders, if any			
3.	Registered folio No./ DP ID No./Client ID No.* (*Applicable to investors holding shares in dematerialized form)			
4.	Number of share(s) held			
5.	I/We hereby exercise my/our vote in respect of the following resolutions to be passed for the business stated in the Notice of the 26 <sup>th</sup> Annual General Meeting dated 13 <sup>th</sup> August, 2014 by conveying my/our assent or dissent to the Resolutions by placing a tick (✓) mark at the appropriate box below.			
Item No.	Description of the Resolution	No. of share(s)	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1.	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2014 along with Reports of the Directors' and of the Auditors'.			
2.	Ordinary Resolution for declaration of Dividend on Equity Shares for the financial year ended 31 <sup>st</sup> March, 2014.			
3.	Ordinary Resolution for appointment of a director in place of Mr. Pankaj B. Shah, Whole-Time Director, who retires by rotation and being eligible, offers himself for re-appointment.			
4.	Ordinary Resolution for re-appointment of M/s. Chaturvedi & Shah, Chartered Accountants, Mumbai (having FRN: 101720W) and M/s. Naresh Patadia & Co., Chartered Accountants, Nagpur (having FRN: 106936W) as Joint Statutory Auditors of the Company to hold office from the conclusion of 26 <sup>th</sup> Annual General Meeting upto the conclusion of 29 <sup>th</sup> Annual General Meeting and to fix their remuneration.			
5.	Ordinary Resolution for appointment of Mr. Sandeep M. Batta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
6.	Ordinary Resolution for appointment of Mr. Ashok Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			



7	Ordinary Resolution for appointment of Mr. Deepak Mehta as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
8	Ordinary Resolution for appointment of Mr. Mohandas Adige as an Independent Director of the Company to hold office as such upto 31 <sup>st</sup> March, 2019.			
9	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 to increase the borrowing limit of the Company upto ₹ 100 Crores.			
10	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to authorities Board of Directors of the Company to create charge / mortgage / hypothecation on all or any of the immovable and / or movable assets of the Company, both present and future upto an amount as approved by the Shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013.			

Place :

Date :

-----  
(Signature of the shareholder)

Notes:

- (i) If you opt to cast your vote by e-voting, there is no need to fill up and sign this form.
- (ii) Last date for receipt of Assent/Dissent Form: 20<sup>th</sup> September, 2014 (6.00 pm).
- (iii) Please read the instructions carefully before exercising your vote.





## INSTRUCTIONS

### **General Instructions**

1. Shareholders have option to vote either through e-voting i.e. electronic means or to convey assent/dissent in physical form. If a shareholder has opted for Physical Assent / Dissent Form, then he/she should not vote by e-voting and vice versa. However, in case Shareholders cast their vote through both physical assent/dissent form and e-voting, then vote casted through physical assent/dissent form shall be considered, subject to the assent/dissent from being found to be valid and vote cast through e-voting shall be treated as invalid.
2. The notice of Annual General Meeting is dispatched/e-mailed to the members whose names appear on the Register of Members as on 29<sup>th</sup> August, 2014 and voting rights shall be reckoned on the paid up value of the shares registered in the name of the shareholders as on the said date.
3. Voting through physical assent / dissent form cannot be exercised by a proxy.

### **Instructions for voting physically in Assent / Dissent Form**

1. A Member desiring to exercise vote by Assent / Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, CS Manish L. Ghia, Partner, M/s Manish Ghia and Associates, Company Secretaries, Mumbai and send the same at their cost to reach the Scrutinizer at the registered office of the Company on or before the close of working hours i.e. 6.00 p.m. on 20<sup>th</sup> September, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent / Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
5. Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
6. There will be one Assent / Dissent Form for every folio / Client id irrespective of the number of joint holders.
7. A Member may request for a duplicate Assent / Dissent Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.1 above.
8. Members are requested not to send any other paper along with the Assent / Dissent Form. They are also requested not to write anything in the Assent / Dissent form except giving their assent or dissent and putting their signature. If any other paper is sent along with the form the same will be destroyed by the Scrutinizer.
9. The Scrutinizer's decision on the validity of the Assent / Dissent Form will be final and binding.
10. Incomplete, unsigned or incorrectly ticked Assent / Dissent Forms will be rejected.



**ARTEFACT PROJECTS LIMITED**

CIN: L65910MH1987PLC044887

**Regd Office:** Artefact Towers, 54/3, Chhatrapati Square, Wardha Road, Nagpur 440015  
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Email: [artefactngp@artefactprojects.com](mailto:artefactngp@artefactprojects.com), [info@artefactprojects.com](mailto:info@artefactprojects.com)

**FOR KIND ATTENTION OF SHAREHOLDERS**

**Dear Shareholder(s),**

As per the provisions of Section 88 of the Companies Act, 2013 read with Companies (Management & Administration) Rules, 2014, the Company needs to update its 'Register of Members' to incorporate certain new details, as are required under the said provisions. Further, as per the "Green Initiative in the Corporate Governance" initiated by the Ministry of Corporate Affairs (MCA), vide its Circular No. 17/2011 dated 21/04/2011, the Company proposes to send all the notices, documents including Annual Report in electronic form to its members.

We, therefore request you to furnish the following details for updation of Register of Members and enable the Company to send all communication to you through electronic mode:

<b>Folio No.</b>	
<b>Name of the Shareholder</b>	
<b>Father's / Mother's / Spouse's Name</b>	
<b>Address (Registered Office Addressing case the Member is a Body Corporate)</b>	
<b>E-mail Id</b>	
<b>PAN or CIN</b>	
<b>UIN (Aadhar Number)</b>	
<b>Occupation</b>	
<b>Residential Status</b>	
<b>Nationality</b>	
<b>In case member is a minor, name of the guardian</b>	
<b>Date of birth of the Member</b>	

**Place:** \_\_\_\_\_

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Signature of the Member**

**Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agent of the Company viz. "LINK INTIME (INDIA) PRIVATE LIMITED, C-13, PANNALAL SILK MILLS COMPOUND, LBS ROAD, BHANDUP (WEST), MUMBAI - 400078"**

The E-mail ID provided shall be updated subject to successful verification of your signature. The members may receive Annual Reports in physical form free of cost by post by making request for the same.

Thanking You,

*For Artefact Projects Limited*  
**Manoj B. Shah**  
**Chairman & Managing Director**





## Artefact Projects Ltd.

Excellence in Infrastructure Services

**Registered Office :**

"ARTEFACT TOWERS", 54/3, Chhatrapati Square, Wardha Road,  
Nagpur-440015. (Maharashtra India)