



# ARTEFACT PROJECTS LTD.

Project Management Consultants, Consulting Engineers & Planners

Registered & Corporate Office :

"Artefact Towers", 54/3, Chhatrapati Square, Wardha Road,

Nagpur 440 015, Maharashtra, India

Phone : +91 - 712 - 3025120, 3018260 (10 Lines), Fax No : +91 - 712 - 3025128

Email : artefactngp@artefactprojects.com, info@artefactprojects.com

Website : www.artefactprojects.com, CIN : L65910MH1987PLC044887

Ref : APL/2018-19/6003/29

05<sup>th</sup> October, 2018

To,

**Manager (CRD)**

**BSE Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400001

Scrip Code: 531297

Dear Sirs,

**Sub: Submission of Annual Report - Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

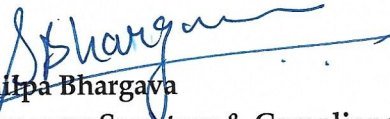
Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year ended 31<sup>st</sup> March, 2018 as approved and adopted in the 30<sup>th</sup> Annual General Meeting of the Company held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 a.m. at Block No. 107, 4<sup>th</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur-440015.

You are requested to kindly take the same on record.

Thanking you

Yours faithfully

For Artefact Projects Limited

  
Shilpa Bhargava

Company Secretary & Compliance Officer

ACS No.: 36207



Encl.: As above



Artefact Projects Ltd.  
Excellence in Infrastructure Services

**30**

**YEARS OF**

**SERVICE & COMMITMENT**

**GROWTH  
PROSPERITY  
PROGRESS**

**ANNUAL REPORT  
2017-2018**

## Board of Directors



**Mr. Pankaj B. Shah**  
Non- Executive Director



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



**Mrs. Ankita S. Shah**  
Executive Director



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



**Mr. Sudhir P. Gupta**  
Independent Director

## Key Managerial Personnel & Leadership Team



**Mr. Ashok Karwa**  
Chief Financial Officer



**Ms. Shilpa Bhargava**  
Company Secretary & Compliance Officer



**Mr. Sudhir Kumar Bhargava**  
Chief Operating Officer/ Advisor



**Mr. Mohd Arif Zafar**  
Senior Vice President - Highway Projects



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



**Mr. Amrendra Jaltare**  
Vice President - Structural



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



**Mr. Santosh Akotkar**  
General Manager - Quantity Survey



**Mr. Prateek Thakkar**  
Senior Manager - Environmental



**Mr. Pramod Wadibhasme**  
Manager Highway



**Mr. Subhash Kolhekar**  
Manager - Electrical Engineer



**Mr. Sameer Rokde**  
Manager Highway



**Mr. Chandrashekar Baseshankar**  
Senior Accounts Manager

# 30<sup>TH</sup> ANNUAL REPORT 2017–18

## Board of Directors

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

## Company Secretary & Compliance Officer

Ms. Shilpa A. Bhargava

## Chief Financial Officer

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

## Statutory Auditors

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

## Internal Auditors

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

## Secretarial Auditor

M/s. Manish Ghia & Associates, Mumbai.

## Bankers

Canara Bank

## Registered Office

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

## Registrar & Share Transfer Agents

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

## Corporate Website

[www.artefactprojects.com](http://www.artefactprojects.com)

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(₹ in Lacs)

### 5 YEAR'S PERFORMANCE AT A GLANCE

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

\*Standalone figures.

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

### BALANCE SHEET

(₹ in Lacs)

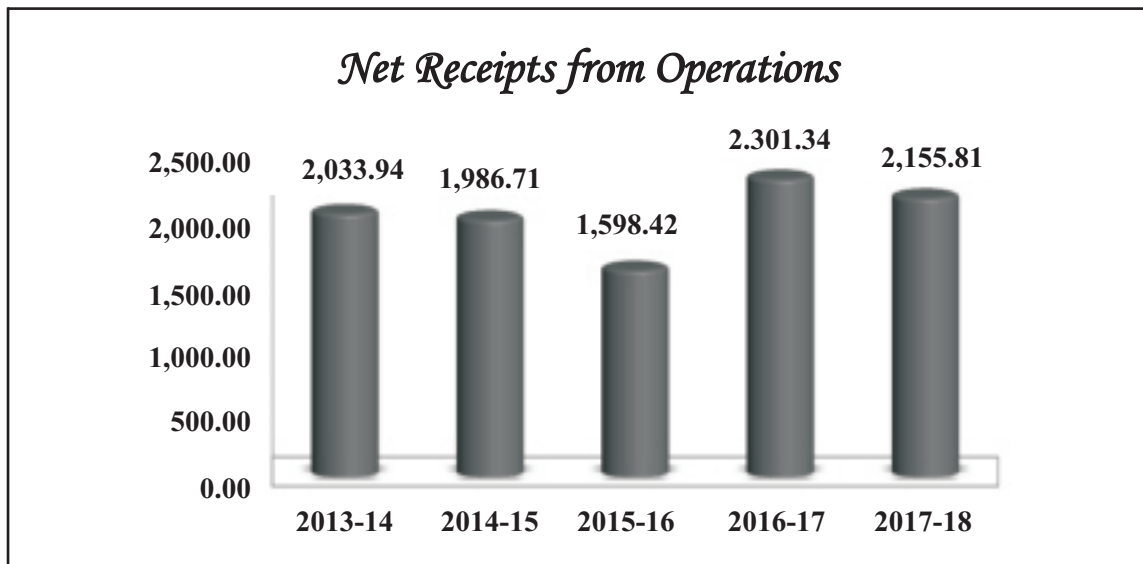
FINANCIAL YEAR	2013-14*	2014-15*	2015-16*	2016-17*#	2017-18*#
<b>ASSETS</b>					
Net Block- Fixed Asset-Own	2,464.87	2,377.19	2,287.35	2,227.60	2,185.28
Investments ( Incl. JVs)	1,040.00	636.63	490.00	1,090.00	1,290.00
Long Term Loans and Advances	789.91	538.87	747.30	-----	-----
Other Non Current Assets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

## FINANCIAL RATIO

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

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

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





## NOTICE

Notice is hereby given that the 30<sup>th</sup> (Thirtieth) Annual General Meeting (AGM) of the members of the Company will be held on Saturday, 29<sup>th</sup> September, 2018 at the registered office of the Company at 11.00 A.M. at Block No. 107, 4<sup>th</sup> Floor, “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015, to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors’ and Auditors’ thereon;
2. To appoint a Director in place of Mr. Siddharth Shah (DIN: 05304116), Executive Director who retires by rotation and being eligible, offers himself for re-appointment;
3. To ratify the appointment of M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (having FRN: 126132W) as approved by members at the 29<sup>th</sup> Annual General Meeting as Statutory Auditor of the Company, to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting until the conclusion of the 34<sup>th</sup> Annual General Meeting and to fix their remuneration for the remaining term i.e. from 2018-19 upto 2021-22.

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

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

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

### SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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



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

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

**Place: Nagpur  
Date: 14<sup>th</sup> August, 2018**

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

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

## 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 PROXY FORMS IN ORDER TO BE VALID, SHOULD BE DULY COMPLETED, STAMPED AND SIGNED AND MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** Further, a person can act as proxy on behalf of member or members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights provided that a member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. The Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto and forms part of this Notice.
3. Corporate members are requested to send their duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 (“the Act”) authorizing their representative to attend and vote at the Annual General Meeting (including through remote e-voting) or any adjournment thereof.
4. Members/Proxies are requested to bring duly filled Attendance Slip along with their copy of Annual Report at the time of the Meeting.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 26<sup>th</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (both days inclusive).
6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contract or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be open for inspection for the members during the Annual General Meeting.
7. Members holding shares in physical form are requested to notify immediately of any change in their address or bank mandates to the Company / Registrar and Share Transfer Agents quoting their Folio Number and Bank Account details along with self-attested documentary proofs. Members holding shares in the electronic form may update such details with their respective Depository Participants (DP).
8. Members desirous of seeking any information about the financials and operations of the Company are requested to address their queries to the Company Secretary at the Registered Office of the Company at least 7 (seven) days in advance of the AGM to enable the Company to provide the information required at the meeting.
9. In case of joint holders attending the meeting, the joint holder with highest, in order of names will be entitled to vote.
10. Members holding shares in identical order of names in one or more folio are requested to write to the Company’s RTA M/s. Link Intime India Private Limited enclosing their share certificate(s) to enable the Company to consolidate their holding into one folio for better services.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their DEMAT account(s). Members holding shares in physical form can submit their PAN details to the RTA of the Company.
12. Non Resident Indian members are requested to inform the Company’s RTA immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable if not furnished earlier.



13. Pursuant to the provision of Section 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2010-11. The balance amount lying in Unpaid Dividend Account for the financial year 2010-11 is due for transfer to the IEPF during the month of November, 2018. Members, who have not encashed their dividend for the aforesaid financial year and subsequent financial years, are advised to write to the Company immediately claiming dividends declared by the Company.

14. The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7<sup>th</sup> September, 2016 as amended by Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 effective from 28<sup>th</sup> February, 2017. The said Rules provide for manner of transfer of shares in respect of which dividend has remained unpaid or unclaimed for seven consecutive years to DEMAT Account of the IEPF Authority.

In compliance with said rules, the Company has transferred respective shares for F.Y. 2009-10 to DEMAT Account of the Authority.

15. The Securities and Exchange Board of India (SEBI) has made it mandatory for all the companies to use National Electronic Clearing Service (NECS) facility to deposit the dividend into investors' bank account wherever NECS and bank details are available with the depositories and/or Company. The members who have not updated their bank account details and wish to avail this facility in future are requested to update their bank account details by submitting the NECS Mandate Form available on the website of the Company  
i.e. <https://www.artefactprojects.com>

16. To comply with the provisions 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.

Members are therefore requested to submit their 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/email/by submitting the same at the time of AGM.

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

17. Brief resume of the Directors proposed to be appointed/re-appointed at the ensuing AGM in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI) is annexed to the Notice. The Company is in receipt of relevant disclosures/consent from the Directors pertaining to their appointment/re-appointment.

18. The Notice of the 30<sup>th</sup> Annual General Meeting and instructions for remote e-voting, along with the Attendance slip and Proxy Form, are being sent by electronic mode to all members whose e-mail 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 courier.

19. Route Map for the venue of the proposed AGM of the company, is appearing as an Annexure to this Annual Report.

## 20. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amended Rules, 2015, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 and Secretarial Standards on General Meetings (SS-2) issued by the ICSI, the Company is pleased to provide remote e-voting facility to its members to cast their votes electronically on the resolutions mentioned in the Notice of the 30<sup>th</sup> AGM of the Company dated 14<sup>th</sup> August, 2018. The Company has engaged services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The facility for voting through polling paper shall also be made available at the venue of the 30<sup>th</sup> AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

The Company has appointed CS Manish L. Ghia, Partner, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai as the scrutinizer for conducting the process of remote e-voting and voting through poll papers process at the AGM in a fair and transparent manner.

**E-voting is optional.**

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:**

The voting period begins on Wednesday, 26<sup>th</sup> September, 2018 (09:00 am) and ends on Friday, 28<sup>th</sup> September, 2018 (5:00 pm). During e-voting period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Saturday, 22<sup>nd</sup> September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL after 05.00 pm on 28<sup>th</sup> September, 2018. Once the vote on resolutions is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on Shareholders.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in DEMAT form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted earlier voting for any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps mentioned below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. (Sequence Number is printed on address sticker)</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your DEMAT account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in DEMAT form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting on resolutions for 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) If members are holding shares in DEMAT form and logged on to [www.evotingindia.com](http://www.evotingindia.com) and casted vote earlier for EVSN of any company then the existing login id and password are to be used.
- (xi) Click on the EVSN for the “Artefact Projects Limited” on which you choose to vote.
- (xii) 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 the member assents to the Resolution and option NO implies that the member dissents to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if member wish to view the entire Resolution details.
- (xiv) After selecting the resolution, the member who have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If member wishes to confirm their vote, click on “OK”, else to change the vote, click on “CANCEL” and accordingly modify the vote.
- (xv) Once the members “CONFIRM” their vote on the resolution, they will not be allowed to modify their vote.
- (xvi) Members can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a DEMAT account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobile users. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**(B) General:**

- (a) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication (s).
- (b) Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Saturday, 22<sup>nd</sup> September, 2018, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (c) However, if the Member is already registered with CDSL for e-voting then they can use their existing user ID and password for casting their vote. In case Member forgets their password, they can reset the same by using “Forgot User Details/Password” option available on [www.evotingindia.co.in](http://www.evotingindia.co.in).
- (d) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (e) The facility for e-voting through polling papers shall be made available at the venue of the 30<sup>th</sup> Annual General Meeting for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (f) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
- (g) In case the shareholder cast their vote through both remote e-voting and voting through polling papers then votes casted through remote e-voting shall be considered and vote cast through polling paper shall be treated as invalid.
- (h) The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 Hours from the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (i) The Results declared along with the Consolidated Scrutinizer Report shall be placed on the website of the Company [www.artefactprojects.com](http://www.artefactprojects.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and the same will be available on the website [www.bseindia.com](http://www.bseindia.com)

**In pursuance of the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 (SS-2) issued by the Institute of Company Secretaries of India (ICSI), details of Directors seeking appointment / re-appointment at the ensuing Annual General Meeting are as follows:**

- 1) **Mr. Siddharth Shah**, aged 27 years is a graduate in Civil Engineering i.e. B. Tech (Civil) and M. Tech (Traffic and Transportation). He has assisted and managed various highway projects, B.O.T. projects, Corporate Infrastructure Services, IT Infrastructure, Survey, Auto CAD, etc. He has also worked on Integrated Wastewater Treatment Plan for residential township so as to develop an end to end system for reuse and recycling of water and treatment of waste water and its effect in terms of carbon footprint and Water Distribution System on EPANET (Mini Project) to carry on analysis of water distribution system and using EPANET software to provide a better network and reduce losses. Apart from above, he has also been an active charitable and social worker organizing community development.
- 2) **Mr. Sudhir Gupta**, aged 52 years studied Chartered Accountant from Institute of Chartered Accountants of India, having rich and vast knowledge and 28 years experience. He started his career with Hindustan Development Corporation Ltd. Later, he joined Hindustan Motors Limited, Pithampur as Chief Financial Officer (CFO). He also worked with Mckinsey, Sterlite Optical Technologies Limited. He was deputed in Germany for the first Polyesters acquisition overseas by Reliance. He has a vast experience in the field of Finance & Accounts and Taxation matters of the Company. He has handled matters related to Acquisitions-



Valuations, Due Diligence, Negotiations and funding thereof. After commencement of his practice, he focused on raising funds for the clients, worked on PE deals for e-commerce and other sectors like Mining and NBFC's and Raised Debts (Term Loans and Working Capital Loans) for various Companies in Sectors like Construction, Real Estate, Engineering, Roads, Alternative Energy, Mining, Coal, Education, Hospitals, Hotels, Timber, Furniture etc. Acted as Advisor on Capital Structure and other valuations related issues.

- 3) **Mr. Sandeep Batta**, a Fellow Chartered Accountant, aged 56 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 training and attended various Seminars and Workshops at CII, FICCI, ICAI, etc. for various Infrastructure Development Policies and programs.

Name of Director	Mr. Siddharth Shah	Mr. Sudhir Gupta	Mr. Sandeep Batta
DIN	05304116	07780511	02220509
Date of Birth / Age	14.12.1991/ 27 years	16.08.1966/ 52 years	05.10.1962/ 56 years
Nationality	Indian	Indian	Indian
Date of appointment as director	06.07.2013	31.03.2017	28.09.2012
Designation	Executive Director	Independent Director	Independent Director
Qualification	B. Tech (Civil), M. Tech (Traffic & Transportation)	Chartered Accountant	Chartered Accountant
Experience/Expertise	He has experience in Technical & Project Management aspects of Highway Sector, Traffic Surveys, Analysis and Transport Planning.	He has vast knowledge and experience in Finance & Accounts and Taxation in various matters.	He has vast experience as Financial Expert for projects Development. He has experience in Financial Structuring, Bid management.
Shareholding in the Company (Equity shares of ₹10/- each)	Nil	Nil	Nil
List of Directorship held in Other listed Companies	Nil	Nil	Nil
List of Chairmanship and Membership in Other Companies	Chairman – NIL Member – NIL	Chairman – NIL Member – NIL	Chairman – NIL Member – NIL
Relationship with other directors of the Company	Son of Mr. Pankaj Shah, Non-Executive Director of the Company.	Not related to any Director of the Company.	Not related to any Director of the Company.
Number of Meetings attended	6	6	6
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	Retirement by Rotation	Five years with effect from 31 <sup>st</sup> March, 2018 and not liable to retirement by rotation.	Five years with effect from 01 <sup>st</sup> April, 2019 and not liable to retirement by rotation.
Remuneration last drawn	₹ 12,00,000 P.A	Nil	Nil

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

### ITEM NO.4:

The term of Mr. Sudhir Gupta as an Independent Director of the Company expired on 30<sup>th</sup> March, 2018. Mr. Sudhir Gupta was appointed as an Additional (Independent) Director for a second term of 5 years with effect from 31<sup>st</sup> March, 2018, subject to approval of shareholders at ensuing Annual General Meeting. Mr. Sudhir Gupta, aged 52 years, is a Chartered Accountant and has vast knowledge and rich experience in finance, accounts & taxation.

Mr. Sudhir Gupta has given requisite declaration pursuant to Section 149 (7) of the Act to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Sudhir Gupta proposed to be appointed as an Independent Director fulfils the conditions specified in the Act and the rules made thereunder and is independent of the management.

The Nomination & Remuneration Committee has also recommended his appointment as Independent Director for a term of 5 (Five) consecutive years.

Brief resume of Mr. Sudhir Gupta as stipulated under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is given in the Notice.

The appointment of Mr. Sudhir Gupta for second term requires approval of the members by a Special Resolution. The Board recommends the Special Resolution as set out at item no. 4 of the Notice for approval of the shareholders.

Except Mr. Sudhir Gupta, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

### ITEM NO.5:

Mr. Sandeep Batta was appointed as an Independent Director of the Company to hold office as such up to 31<sup>st</sup> March, 2019. The Board re-appointed him as an Independent Director of the Company with effect from 1<sup>st</sup> April, 2019 to hold office for the second term of 5 (five) consecutive years upto 30<sup>th</sup> March, 2023, subject to approval of shareholders at ensuing Annual General Meeting. Mr. Sandeep Batta, aged 56 years, is a Chartered Accountant and has vast experience as Financial Expert for projects Development. He has experience in Financial Structuring, Bid management.

Mr. Sandeep Batta has given requisite declaration pursuant to Section 149 (7) of the Act to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act. The Company has, in terms of Section 160 (1) of the Act, received in writing a notice from member, proposing his candidature for the office of Director.

In the opinion of the Board, Mr. Sandeep Batta proposed to be re-appointed as an Independent Director fulfils the conditions specified in the Act and the rules made thereunder and is independent of the management.

The Nomination & Remuneration Committee has also recommended his re-appointment as Independent Director for a term of 5 (Five) consecutive years.

Brief resume of Mr. Sandeep Batta as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India is given in the Notice.

The re-appointment of Mr. Sandeep Batta requires approval of the members by a Special Resolution. The Board recommends the Special Resolution as set out at item no. 5 of the Notice for approval of the shareholders.

Except Mr. Sandeep Batta, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.



**ITEM NO.6:**

The Company intends to reduce its debts & interest burden by disposing some of its non-core assets which exceed the needs of the Company for its ownership. The Company has identified some properties which may be an 'Undertaking' in terms of Section 180(1)(a) of the Companies Act, 2013. In terms of the said provision, 'Undertaking' shall mean an undertaking in which the investment of the company exceeds twenty per cent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty per cent of the total income of the company during the previous financial year. Sale, lease or disposal of such undertaking requires approval of the members by way of Special Resolution.

Approval of members is sought for: - to lease, sell, transfer, convey, assign or otherwise dispose off the Company's immovable property. The consideration to be received on said lease and/or sale, transfer, conveyance, assignment or sale of above property shall be utilized in paying off the Company's long/short term debts besides using it for long term working capital needs of the Company. The said arrangement will enable the Company to reduce the interest costs thus improving the profits of the Company. This arrangement does not have any adverse impact on the Company's Business, facilities and working.

In view of the same, the Board of Directors at its meeting held on 14<sup>th</sup> August, 2018 has, subject to the approval of members of the Company by a special resolution and other applicable laws and subject to such approvals, consents, permissions and sanctions as may be necessary, granted an omnibus approval to sell, lease or otherwise dispose off the Company's immovable property/ies as the case may be, encompassing part of property of Artefact Towers situated at 54/3, Chhatrapati Square, Wardha Road, Nagpur and ground and first floor situated at Bhiwapurkar Chambers, Dhantoli, Nagpur admeasuring approx. 2686.91 sq.ft. to any person(s) and/or entity(ies) as may be determined by the Board, at such time(s) and for such consideration which shall be higher than the Book Value of Property/properties and not be lower than current market value as per the Government Ready Reckoner rates at the time of such disposal and including finalization of the suitable lessee(s) /purchaser(s)/ assignee(s)/ counter party) as the case may be, of the property, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, lease deeds, sale deed, agreement for sale, irrevocable powers of attorney etc. and such other documents in the best interest of the Company.

The Board recommends the Special Resolution as set out at item no. 6 of the Notice for approval of the shareholders.

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  
For Artefact Projects Limited**

**Sd/-**

**Siddharth P. Shah  
Executive Director  
DIN: 05304116**

**Place: Nagpur  
Date: 14<sup>th</sup> August, 2018**

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

## LETTER FROM DIRECTOR

**Dear Shareholders,**

It is my privilege to write to you on this occasion of 30<sup>th</sup> Anniversary of the birth of the Company. Artefact Projects Ltd was established on October, 1987, and over the last three decades, your company benefited from the vision of three outstanding leaders – Manoj Shah, Pankaj Shah and Chetan Shah. Each of these leaders was instrumental in taking the organization to the next level, and each left a distinctive imprint on the company.

Our values, entrepreneurial agility, customer-centricity, and social responsibility – all of which define who we are and how we got here, are direct outcomes of their vision and leadership. Following in their footsteps and building upon the accomplishments of these giants is humbling, and inspirational.

Coming to the present, it gives me great pleasure to share with you an update on the performance of your Company for the year 2017-18 and our strategy going forward. It was a transformative year with the introduction of the Goods and Services Tax (GST), an important development that has created a single national market and will benefit both clients as well as the industry.

In this challenging business environment, your Company earned gross revenues from operations of ₹ 2535.94 Lacs as compared to ₹ 2636.23 Lacs in the last fiscal year. The decrease was marginal in revenue.

During the year, the company bagged Project Assignments of value of ₹ 64.65 crores and was eligible for number of Projects Bids. It's a very significant long term benefit to all the shareholders. With large number of Projects coming up for bidding, your Company expects a sizeable order book to suffice Business and Revenue targets for next 3 to 4 Years.

The infrastructure sector will fuel the economic growth in the country. The future is incredibly rich in opportunity. Simultaneously it is the need of the hour to consolidate operations and to achieve better profitability.

Our accomplishments, our growth potential which we together intend to bridge in Coming years. In 2017-18, the share price of Artefact rose from ₹ 24.03 upto ₹ 57.04 per share.

This is a very opportune time for the Company's business. We are extremely energized by the opportunity. We seek the Valuable Contribution of all our stakeholders to lead the Company's business in future.

Sincerely,

**Sd/-  
Siddharth Shah  
Executive Director**

Date : 14<sup>th</sup> August, 2018  
Place : Nagpur

## BOARD'S REPORT

To,

The Members

Your Directors present the 30<sup>th</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2018.

## FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

PARTICULARS	STANDALONE	
	2017-2018	2016-2017
Net Income from operation and other income	2409.94	2533.06
Profit before Depreciation & Amortization expenses, Finance Cost and tax (EBIDTA)	240.77	500.92
Less: Depreciation and Amortization Expenses	81.62	80.45
Finance Cost	445.02	369.28
Profit before tax	(285.87)	51.19
Less: Provision for tax	24.48	31.93
Profit after tax	(310.35)	19.26
Less: Minority Interest in Income	-	-
Add: Share in Profits/Loss of Associates	-	-
Balance of Surplus as per last Balance Sheet	1441.11	1421.58
Balance available for appropriation	1131.78	1441.11
Balance of profit carried to Balance Sheet	1131.78	1441.11

## 2017 - 2018 IN RETROSPECT:

During the year Company witnessed a marginal reduction in turnover by around by ₹ 1.46 Crores, mainly on account of conclusion of projects resulting into reduction of billable revenue. The award of certain new DPR Consultancy work orders, are expected to generate revenue during FY 2018-19.

**Manpower Cost:** The manpower cost of the Company increased due to cost of additional manpower for new projects. The ratio of Manpower Cost is increased by 12.18% as compared to last year. There is a substantial surge in demand for specialized manpower due to huge scope in the sector.

**Administrative, Selling & Other Expenses :** In spite of reduction in Turnover the Administrative, selling and other expenses has been marginally increased which is still comparable to last financial year.

**Project Expenses:** Project expenses have decreased in line with previous year on account of conclusion of projects.

**Interest & Other Financial Charges:** Interest and other financial charges have increased mainly on account of Interest on Term Loan and Interest on other dues.

**Depreciation:** There is Marginal increase in Depreciation.

## BUSINESS OUTLOOK:

Emphasizing that infrastructure is the growth driver of economy, the Government estimated that investment in excess of ₹ 50 lakh crore is needed to increase growth of GDP and connect the nation with a network of roads, airports, railways, ports and inland waterways. The Government announced increase of budgetary allocation on infrastructure for 2018-19 to ₹ 5.97 lakh crore against estimated expenditure of ₹ 4.94 lakh crore in 2017-18. A large number of Projects are being taken up through EPC and Hybrid Annuity Model with extensive Government funding and budget allocations.

**During the financial year 2017-18, your Company was awarded the following projects:**

Company bagged the contracts for Highway Assignments as Consultant for Detailed Project Report from National Highways Authority of India and other state Govt. Authority in the State of Maharashtra, Tamil Nadu & Uttar Pradesh with contracted fees of ₹ 12.12 Crores.

Company has also been awarded the contracts for Highway Assignments as Consultant for Detailed Engineering, Construction Supervision, Supervision of Operation & Maintenance and Project Management from National Highways Authority of India and other state Govt. Authority with contracted fees of ₹ 52.53 Crores.

There are bids under submission and finalization involving fees exceeding ₹ 145.00 Crores

Further, in reference to the petition filed by the Airport Authority of India ('AAI') before the Hon'ble High Court of Delhi against the Company in connection with the construction services for the Airport at Trivandrum, the Hon'ble High Court dismissed the said petition and passed the judgment vide Order No. O.M.P. (COMM) 87/2016 on 30<sup>th</sup> May 2017 in favour of the Company. The Law Board of AAI has also issued a letter stating payment to be made to the Company of ₹ 1,25,73,102/-. The Company has filed the decree for execution of the said order for ₹ 1,25,73,102/- plus applicable interest till the date of receipt of payment which was duly received by the Company in October 2017.

**CAPITAL EXPENDITURE:**

During the year the company has incurred capital expenditure of ₹ 39.78 Lacs mainly on addition of Equipment, Furniture, Vehicles, Computers and Software.

**DIVIDEND:**

In order to conserve the resources for future growth of the Company, your Directors do not recommend dividend for the year under review.

**PUBLIC DEPOSITS:**

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

**SHARE CAPITAL:**

There was no change in share capital of the Company during the Financial Year 2017-18.

**EXTRACT OF ANNUAL RETURN:**

An extract of Annual Return in Form MGT-9 is appended to this Report as **Annexure - I**.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

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. Siddharth Shah (DIN: 05304116), Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year under review, in accordance with the provisions of sections 149 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the term of office of Mr. Sudhir Kumar Gupta (DIN: 07780511), Independent Director of the Company expired on 30<sup>th</sup> March, 2018. On recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 31<sup>st</sup> March, 2018 approved the appointment of Mr. Sudhir Kumar Gupta as Additional (Independent) Director for a further term of 5 years w.e.f. 31<sup>st</sup> March, 2018 upto 30<sup>th</sup> March, 2023, subject to approval of members at the ensuing Annual General Meeting. This shall be his second term as Independent Director of the Company

Further, in accordance with the provisions of sections 149 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the term of office of Mr. Sandeep Batta (DIN: 02220509), Independent Director of the Company shall expire on 31<sup>st</sup> March, 2019. On recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on 14<sup>th</sup> August, 2018 approved the re-appointment of Mr. Sandeep Batta as Independent Director for a further term of 5 years w.e.f. 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2024, subject to approval of members at the ensuing Annual General Meeting. This shall be his second term as Independent Director of the Company.

The Board recommends the appointment/re-appointment of Directors aforesaid.

Brief resume of the Directors proposed to be appointed/re-appointed as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (hereinafter referred to as “Listing Regulations”) and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are given in the Notice convening the 30<sup>th</sup> Annual General Meeting of the Company.

Mr. Deepak Mehta, Independent Director of the Company resigned w.e.f. 14<sup>th</sup> December, 2017. Also, Mr. Sanjay Khare, resigned from the office of Chief Financial Officer of the Company w.e.f. 30<sup>th</sup> April, 2018. The Board expresses its appreciation for their valuable guidance during their association with the Company.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations.

#### **MEETINGS OF THE BOARD:**

The Board meets at regular intervals to discuss and decide on Company’s / business policy and strategy apart from other business of the Board. A tentative annual calendar of the Board and Committee Meetings is informed to the Directors in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board Meeting is given well in advance to all the Directors of the Company. Usually, meetings of the Board are held at the registered office of the Company. The agenda of the Board / Committee meetings is circulated seven days prior to the date of the meeting. In case of any business exigencies, meetings are called and convened at Shorter Notice or the resolutions are passed by Circulation and later placed in the ensuing Board Meeting.

During the year under review, the Board met 6 (Six) times as per details given in the Report on Corporate Governance. The intervening gap between the two consecutive meetings was within the period prescribed under the Companies Act, 2013.

#### **ANNUAL EVALUATION OF PERFORMANCE BY THE BOARD:**

In terms of applicable provisions read with Schedule IV of the Companies Act, 2013 and Rules framed thereunder and Regulation 17 of Listing Regulations read with Part D of Schedule II of the Listing Regulations, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board along with performance evaluation of each Director to be carried out on an annual basis.

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the evaluation of the Board and its performance, the directors individually and the working of its Audit, Nomination & Remuneration and Stakeholders’ Relationship Committee of the Company was carried out by the Board. A questionnaire to evaluate the performances of each of executive and non-executive and Independent Directors is devised and the directors are evaluated on the basis of this questionnaire. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings;
- ii. Quality of contribution to Board deliberations;
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance;
- iv. Providing perspectives and feedback going beyond information provided by the management.

## COMMITTEES OF THE BOARD:

There are currently following Committees of the Board:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Ad-hoc Committee

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

1. Borrowing Committee
2. Management Committee

The composition of the Committee/s after re-constitution as at 31<sup>st</sup> March, 2018 is detailed below:

Sr. No.	Name of Director	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	Ad Hoc Committee	Borrowing Committee	Management Committee
1.	Mr.Pankaj Shah	Member	Member	Member	Chairman	Chairman	Chairman
2.	Mr. Siddharth Shah	-	-	-	Member	-	Member
3.	Mrs. Ankita Shah	-	-	-	-	-	-
4.	Mr. Sandeep Batta	Chairman	Chairman	Chairman	Member	-	-
5.	Mr. Deepak Mehta	Member (upto 13.12.2017)	Member (upto 13.12.2017)	Member (upto 13.12.2017)	Member (upto 13.12.2017)	Member (upto 13.12.2017)	-
6.	Mr. Sudhir Gupta	Member (w.e.f. 14.12.2017)	Member (w.e.f. 14.12.2017)	Member (w.e.f. 14.12.2017)	Member (w.e.f. 14.12.2017)	Member (w.e.f. 14.12.2017)	-
7	Mr. Chetan Shah	-	-	-	-	Member	Member

Details of the Committees with respect to their terms of reference, meetings and attendance at the meetings held during the year, are provided in the Report on Corporate Governance, forming part of this Annual Report.

## AUDIT COMMITTEE AND ITS COMPOSITION:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations. The composition of the Audit Committee is provided in Report on Corporate Governance.

## VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has devised a Vigil Mechanism/Whistle Blower Policy to deal with instance of fraud, mismanagement and unethical behavior, if any. The mechanism provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee, in the exceptional cases. The details of Vigil Mechanism/ Whistle Blower Policy is explained in the Report on Corporate Governance and also posted on the website of the Company at <http://www.artefactprojects.com/Revised%20Whistle%20Blower%20Policy.pdf>

We affirm that during the financial year 2017-18, no employee or director or any other person was denied access to the Audit Committee.

## APPOINTMENT AND REMUNERATION POLICY:

Pursuant to provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations and on the recommendation of the Nomination & Remuneration Committee, the Board has adopted a policy for selection,



appointment and remuneration of Directors and Key Managerial Personnel. The salient features of Remuneration Policy are stated in the Report on Corporate Governance.

#### **RISKS AND AREAS OF CONCERN:**

The Company has laid down a well-defined Risk Management Policy covering the risk mapping, trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitoring of both business and non-business risk. The Board periodically reviews the risks and suggests steps to be taken to control and mitigate the same through a properly defined framework.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, your directors state and confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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 and of the loss of the company for that period;
- c. the directors have 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 fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **DETAILS IN RESPECT OF FRAUD REPORTED BY AUDITORS:**

Pursuant to Section 143(12) of the Companies Act, 2013 there were no frauds reported by the Auditors of the Company during the year under review, to the Audit Committee or the Board of Directors, as such there is nothing to report under Section 134(3)(ca) of the Companies Act, 2013.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The details of loans, guarantee or investment under Section 186 of the Companies Act, 2013 are given under Notes to Financial Statements.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

All the Related Party Transactions that were entered into during the Financial Year were in Ordinary course of business and on Arm's Length Basis and are reported in the Notes to Financial Statements. Pursuant to provisions of Section 134 (3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, Form AOC-2 is appended to this Report as **Annexure - II**.

In accordance with the provisions of Regulation 23 of Listing Regulations, the Company has formulated the Policy on Related Party Transactions and the same is uploaded on the website of the Company i.e.

<http://www.artefactprojects.com/Policy%20on%20Related%20Party%20Transaction.pdf>

#### **PARTICULARS OF EMPLOYEES AND REMUNERATION:**

Pursuant to provisions of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, details of remuneration paid to all the

Directors/Employees and the details of the ratio of remuneration of each Director to the median employee's remuneration is provided in **Annexure- III - A**.

Further, the information as required as per the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended to this report as **Annexure III- B**.

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

Information in terms of requirement of clause (m) of Sub-Section (3) of Section 134 of the Companies Act, 2013 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, read along with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

#### **A. CONSERVATION OF ENERGY:**

- i. Installation of Energy saving devices like Infra-Red motion detectors, light sensors avoids wastage of energy by switching off bases upon activity in the area.
- ii. Improved monitoring of energy consumption through smart metering and integration with building management systems.
- iii. Creating awareness among employees to conserve energy and follow protocols while leaving the workplace.
- iv. While procurement of equipment, focus is on energy efficient systems for greener future.
- v. Use of Solar Energy for consumption at Head Office instead of water heater thereby reducing thermal energy usage and conserving energy.
- vi. Extensive use of LED lights and bulbs for energy saving.

#### **B. TECHNOLOGY ABSORPTION AND BENEFITS:**

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 base includes the following:-

- i. Installation of contemporary IT Hardware and Infrastructure including GPS system, VPN Connectivity, Professional Audio System, SQL Server Database, Life-Size Video Conferencing etc.
- ii. Use of Internet based communication and advanced technology has reduced paper communication wherever possible and has resulted in a quicker and transparent information sharing system.
- iii. Purchase of printers which use low ink thus saving costs and resources.
- iv. The benefits derived from Technology absorption are higher efficiency, better reliability and availability, reduced maintenance, environment friendly atmosphere and reduction in printing cost.
- v. The Company continues to use the latest technologies for improving the quality of its services.
- vi. The Company's operations do not require significant import of technology.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

(Amount in ₹)

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2018</b>	<b>For the year ended 31<sup>st</sup> March, 2017</b>
Foreign exchange earned	Nil	Nil
Expenditure in foreign currency	Nil	Nil



## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There were no significant or material orders passed by any regulator or court or tribunal, which can impact the going concern status of the Company or will have bearing on Company's operations in future.

## STATUTORY AUDITORS:

M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (FRN: 126132W) were appointed as the Statutory Auditors of the Company for a period of 5 years in the 29<sup>th</sup> Annual General Meeting ('AGM') of the Company held on 30<sup>th</sup> June, 2017 to hold office from the conclusion of 29<sup>th</sup> AGM till the conclusion of 34<sup>th</sup> AGM, subject to ratification of their appointment at every AGM.

Your Directors recommend the ratification of appointment of M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (FRN: 126132W) as the Statutory Auditors of the Company and to fix their remuneration for the remainder of their term.

Members are informed that the provision relating to ratification of appointment of the Auditors as per Companies (Amendment) Act, 2017 which was notified on 7<sup>th</sup> May, 2018 has been done away with. As such, no requirement of ratification/confirmation shall henceforth be necessary for the appointment of the Auditors for their remainder period of appointment.

## AUDITOR'S REPORT:

### REPLIES TO THE OBSERVATIONS MADE IN THE STATUTORY AUDITORS' REPORT:

1. Auditor's comments in their Independent Auditors Report under **Point No. (i)** for Qualified Opinion, read along with the **Note No. 9.01** are self-explanatory. The trade receivables are entirely from Government Authorities whose accounting system does not enable issue of any balance confirmation. The company has on record Receipted Bills and correspondences for contractual compliance for the receivables as per express provisions of agreement. Hence, the said debtors are considered recoverable in the normal course of business. The delay of payments is mainly due to procedural reasons. Management is reasonably assured of its recovery.  
  
The debtors exceeding six months are calculated and stated as per Auditors Report is ₹ 1092.69 Lacs. Auditors to arrive at the Debtors ageing of more than six months have considered only FIFO method of Billing. However, as per the contract agreement, the debtors exceeding six months based on RA Bill payment basis for continuous current and ongoing project assignment stood at ₹ 641.44 Lacs. The fact is supported by Clause No.6.4 (C) of the Consultancy Contract, being current month outstanding as mentioned in Clause No.6.4 (d) of the Consultancy Contract executed with client NHAI (National Highway Authority of India).
2. The Auditors comments in the Independent Auditors Report at **Point No. (ii)** as per **Note No. 20.01**, the Order has been passed dated 27<sup>th</sup> March, 2018 and the substantial part of the Appeal has been allowed and the penalty of ₹ 188.89 Lacs has been waived.
3. Auditors comments in the Independent Auditors Report at **Point No. (iii)** under the basis for Qualified Opinion read along with **Note No. 20.02** is self explanatory. The management has filed Service Tax Returns upto June, 2017 to comply with transit to the GST. The liability payable is also accounted for to pay in current year. Part of the payment so made shall be reimbursable from clients as tax.
4. Auditors comments in the Independent Auditors Report at **Point No. (iv)** under the basis for Qualified Opinion read along with **Note No.20.02** submitted regarding payment of GST Net of Input Tax Credit of ₹ 272.58 Lacs was pending payment due to non receipt of GST reimbursement from Government clients amounting to ₹ 228.73 Lacs. Filing of return thereof on receipt of claim from client, interest thereon due to delay in payment of GST, accordingly has been provided and the note is self explanatory.
5. Auditor's comments in the Independent Auditors Report at **Point No. (v)** under the basis for Qualified Opinion read alongwith **Note No. 20.03** is self explanatory and TDS shall be paid before filing of Income Tax return. The company has also claimed for refund of Income Tax paid in excess of its provisions, to the extent of ₹435.89 Lacs.

6. Auditor's comments in the Independent Auditors Report at **Point No. (vi)** under Basis for Qualified Opinion read alongwith **Note No. 12.03** where Auditors have expressed inability to comment on the recover ability of the amount advanced to party of ₹ 72.72 Lacs. Management has paid sponsorship cost for higher studies at abroad for Engineering. The Sponsored Engineer is yet to render the services of 2 years after studies and return to India The Management is expecting of availment of services or taking up steps for its recovery otherwise, during the ensuing financial year.
7. Auditors comments in the Independent Auditors Report at **Point No. (vii)** under the basis for Qualified Opinion read alongwith **Note No.9.02, 20.04, 21.01** the said amount has been reversed, pending approval in the accounts of client and substantial time has been elapsed. Based on the prudent financial management policies of the management, the same has been reversed for now, without prejudice to any claims made by the company from the client.
8. Auditors comments in the Independent Auditors Report at **Point No. (viii)** under the basis for Qualified Opinion read alongwith **Note No.20.04** regarding unrealized service tax of ₹ 120.72 lacs of earlier year written back, represents service tax liability excess provided and not due, based on filing of service tax returns.
9. Auditors comments in the Independent Auditors Report at **Point No. (ix)** under the basis for Qualified Opinion read alongwith **Note No.6.01** the Management of company feels that the investment in financial instruments amounting to ₹ 12.90 Crores shall be realized to the extent of investment. The investment is made for a long term mining investment.

#### **REPLIES TO THE OBSERVATIONS MADE IN THE STATUTORY AUDITORS' REPORT ON THE INTERNAL FINANCIAL CONTROLS:**

In the paragraph titled "Qualified Opinion" in the Annexure A to the Independent Auditor's Report related to the Internal Financial Controls, your directors submit the following explanation to the observations of the Auditors:

Management has strengthened the recovery efforts for timely recovery of Bills by assignment to a specialized Team solely which includes Financial Expert, Qualified Engineers etc. to felicitate efforts on technical issues and contractual issues if any, for clearance of dues. We have also utilized the Centralized Public Grievance Redressal and Monitoring System (PG Portal) to address delay in recovery of Contractual Dues from the client. During past two years company has recovered ₹ 154.65 lacs thereof, besides this the Company has been awarded a favourable Arbitration Award of ₹ 123 lacs for dues from Airport Authority of India.

Further substantial dues are expected to be recovered in the current Financial Year due to the systematic assignment to the specialized task force team.

#### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Manish Ghia & Associates, Company Secretaries, Mumbai are the Secretarial Auditors of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the Financial Year under review is appended to this report as **Annexure IV**.

#### **REPLY TO THE OBSERVATIONS MADE IN THE SECRETARIAL AUDITOR'S REPORT:**

- a. The Secretarial Auditors reported that the vacancy in the office of Independent director which is to be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later; is yet to be filled up. During the period of such vacancy, the Company received certain profiles for the said position of Independent Director and after due evaluation & identification by Nomination & Remuneration Committee, the Board shall select the most suitable candidate for the said position.
- b. The Secretarial Auditors also reported that the transfer of shares (on which the dividend has remained unpaid or unclaimed for last 7 years) to the Investor Education and Protection Fund Authority was completed beyond the statutory timeline. The said delay was inadvertent and unintentional in nature and was caused due to procedural aspects involved in the said process.

### **INTERNAL AUDITORS:**

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, on recommendation of Audit Committee, M/s. P.T. Chhabria & Co., Chartered Accountants, Nagpur (FRN:-101790W) are appointed as the Internal Auditors of the Company. The Internal Auditor submits his reports on quarterly basis to the Audit Committee. Based on the report of internal audit, management undertakes corrective action in the respective areas and strengthens the levels of Internal Financial and other operational controls.

### **INTERNAL FINANCIAL CONTROL:**

The Board has adopted a formal policy for ensuring the orderly and efficient conduct of its business.

The Audit Committee evaluates the efficacy and adequacy of financial control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and strives to maintain the Standard in Internal Financial Controls.

### **REPORT ON CORPORATE GOVERNANCE:**

Pursuant to Regulation 34 (3) read with Schedule V of Listing Regulations, the following have been made a part of the Annual Report and are attached to this report:

- Management Discussion and Analysis
- Report on Corporate Governance
- Declaration affirming Compliance with Code of Conduct of Board of Directors and Senior Management
- Auditor's Certificate regarding compliance with conditions of Corporate Governance

### **SUBSIDIARY AND ASSOCIATE COMPANIES:**

As on 31<sup>st</sup> March, 2018, the Company does not have any subsidiary or associate companies hence preparation of Consolidated Financial Statements is not applicable to the Company. However, the Company has 3 Joint Ventures namely:-

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

The salient features of Joint Ventures in AOC-1 as per the provisions of Section 129 of the Companies Act, 2013 is provided in **Annexure V**, which is appearing after the Financial Statements.

In accordance with Section 136 of the Companies Act, 2013, the Audited Financial Statements and related information of the Company are available on our website at [www.artefactprojects.com](http://www.artefactprojects.com)

### **CORPORATE SOCIAL RESPONSIBILITY:**

The provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility are not applicable to the Company.

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

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of 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.

There was no complaint on sexual harassment during the year under review.

### **QUALITY ASSURANCE:**

The Company is determined in providing consistent quality services to our clients. We are constantly upgrading the quality systems to improve our services.

### **ENVIRONMENT, SAFETY & HEALTH (ESH):**

The Company is conscious of its strong corporate reputation and the positive role it can play by focusing on Environment, Safety & Health (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.

### **MATERIAL CHANGES AND COMMITMENT, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2017-18 to which this financial statement relates and the date of this report.

### **CONTINGENT LIABILITIES:**

The Contingent Liabilities of the Company mainly include Bank Guarantees to client as Performance Securities. Hence, 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 entirely covered by a comprehensive Professional Liability Insurance Policy. Besides this the cases filed against the Company are also reported.

### **COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Company has devised proper system to ensure compliance with the applicable Secretarial Standard issued by the Institute of Company Secretaries of India and the Company complies with all the applicable provisions of the same during the year under review.

### **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: 14<sup>th</sup> August, 2018**

**Siddharth Shah**  
**Director**  
**DIN:05304116**

**PankajShah**  
**Director**  
**DIN: 00010504**

## ANNEXURE - I

### EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**

**(As on the financial year ended on 31<sup>st</sup> March, 2018)**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L65910MH1987PLC044887
Registration Date	6 <sup>th</sup> October, 1987
Name of the Company	Artefact Projects Limited
Category/Sub-Category of the Company	Company limited by Shares
Address of the Registered office and contact details	Block No. 107, 4 <sup>th</sup> Floor, "Artefact Towers", 54/3 Chhatrapati Square, Wardha Road, Nagpur-440015 Tel : 91712-3025120 Email :shareholders@artefactprojects.com
Whether listed company	Yes, BSE Limited
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime (India) Private Limited C-101, 247 Park, L.B.S Road, Vikhroli West, Mumbai-400083 Phone :022-49186000 Email : rnt.helpdesk@linkintime.co.in

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1	Architectural and Engineering activities and related technical Consultancy (Project Management Consultancy Services)	7110	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : N.A.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

##### i. Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									

(a) Individual /HUF	3011400	0	3011400	54.50	3011400	0	3011400	54.50	0.00
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>0.00</b>
(2) Foreign	0	0	0	0.00	0	0	0	0.00	0.00
(a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoters (A)</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>0.00</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									





(i) Indian	483007	39600	522607	9.46	456637	37600	494237	8.95	(0.51)
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	593886	162909	756795	13.70	548241	123008	671249	12.15	(1.55)
(ii) Individual shareholders holding nominal share capital in excess of ₹1 Lacs	718241	0	718241	13.00	778208	0	778208	14.09	1.09
(c) Others									
HUF	261406	800	262206	4.75	254826	100	254926	4.61	(0.14)
Clearing Member	227578	0	227578	4.12	227363	0	227363	4.12	0.00
NRI	21773	4400	26173	0.47	21773	3400	25173	0.46	(0.01)
IEPF	0	0	0	0	45444	0	45444	0.82	0.82
NBFC Registered with RBI	0	0	0	0	17000	0	17000	0.31	0.31
<b>Sub-total (B)(2)</b>	<b>2305891</b>	<b>207709</b>	<b>2513600</b>	<b>45.50</b>	<b>2349492</b>	<b>164108</b>	<b>2513600</b>	<b>45.50</b>	<b>0.00</b>
<b>Total Public Shareholding (B)</b>	<b>2305891</b>	<b>207709</b>	<b>2513600</b>	<b>45.50</b>	<b>2349492</b>	<b>164108</b>	<b>2513600</b>	<b>45.50</b>	<b>0.00</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5317291</b>	<b>207709</b>	<b>5525000</b>	<b>100.00</b>	<b>5360892</b>	<b>164108</b>	<b>5525000</b>	<b>100.00</b>	<b>0.00</b>

ii. *Shareholding of Promoters and Promoters' Group:*

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to Total shares	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to Total shares	
1	Mr. Pankaj Shah	747550	13.53	0.00	747550	13.53	0.00	0.00
2	Mr. Manoj Shah	700600	12.68	0.00	700600	12.68	0.00	0.00
3	Mr. Chetan Shah	518300	9.38	0.00	518300	9.38	0.00	0.00
4	Mrs. Rupa Shah	342350	6.20	0.00	342350	6.20	0.00	0.00
5	Mrs. Reena Shah	193100	3.50	0.00	193100	3.50	0.00	0.00

6	Mrs. Madhavi Shah	178100	3.22	0.00	178100	3.22	0.00	0.00
7	Mr. Balkrishna Shah	99250	1.80	0.00	99250	1.80	0.00	0.00
8	Mrs. Sushila Shah	78450	1.42	0.00	78450	1.42	0.00	0.00
9	Mrs. Madhavi Shah & Mr. Manoj Shah	60000	1.09	0.00	60000	1.09	0.00	0.00
10	Mr. Chetan B Shah & Mrs. Rupa Shah	45000	0.81	0.00	45000	0.81	0.00	0.00
11	Mrs. Rupa Shah & Mr. Chetan Shah	25000	0.45	0.00	25000	0.45	0.00	0.00
12	Mrs. Sushila Shah & Mr. Balkrishna Shah	23700	0.42	0.00	23700	0.42	0.00	0.00
	<b>Total</b>	<b>3011400</b>	<b>54.50</b>	<b>0.00</b>	<b>3011400</b>	<b>54.50</b>	<b>0.00</b>	<b>0.00</b>

**iii. Change in Promoter's Shareholding :**

	Shareholding		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	3011400	54.50	-	-
Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	<b>THERE IS NO CHANGE IN SHAREHOLDING</b>			
At the end of the year	-	-	3011400	54.50

**V. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For each of the top 10 shareholders	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	<b>East and West Securities Private Limited</b>				
	a) At the Beginning of the Year	400000	7.24	-	-
	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	400000	7.24
2	<b>Arcadia Share &amp; Stock Brokers Private Limited</b>				
	a) At the Beginning of the Year	226025	4.09	-	-
	b) Net Changes during the Year	1008	0.02		
	c) At the end of the Year	-	-	227033	4.11
3	<b>Parsram Chandumal Rohira</b>				
	a) At the Beginning of the Year	200000	3.62	-	-



	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	200000	3.62
4	<b>Girdhari P Rohira</b>				
	a) At the Beginning of the Year	137627	2.49	-	-
	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	137627	2.49
5	<b>Sidhwani Chandan Totaram</b>				
	a) At the Beginning of the Year	30000	0.54		
	b) Net Changes during the Year	60000	1.09		
	c) At the end of the Year			90000	1.63
6	<b>Umesh Satyanarayan Agrawal</b>				
	a) At the Beginning of the Year	70000	1.27	-	-
	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	70000	1.27
7	<b>Mukul Mahavir Prasad Agrawal</b>				
	a) At the Beginning of the Year	57500	1.04	-	-
	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	57500	1.04
8	<b>Usha Gurumukh Sukhwani</b>				
	a) At the Beginning of the Year	52670	0.95	-	-
	b) Net Changes during the Year	No Changes During the Year			
	c) At the end of the Year	-	-	52670	0.95
9	<b>Harmeet Singh Inderjit Singh Sodhi</b>				
	a) At the Beginning of the Year	50500	0.91	-	-
	b) Net Changes during the Year	No Change During the Year			
	c) At the end of the Year	-	-	50500	0.91
10	<b>Basant T Sukhwant</b>				
	a) At the Beginning of the Year	50000	0.91	-	-
	b) Net Changes during the Year	No Change During the Year			
	c) At the end of the Year	-	-	50000	0.91
11	<b>Rajesh Satyanarayan Agarwal</b>				
	a) At the Beginning of the Year	48060	0.87		
	b) Net Changes during the Year	1940	0.04		
	c) At the end of the Year			50000	0.91
12	<b>Komal Ajay Bathija *</b>				
	a) At the Beginning of the Year	52500	0.95	-	-
	b) Net Changes during the Year	(10023)	(0.18)		
	c) At the end of the Year	-	-	42477	0.77

Note: The shares of the Company are traded on daily basis and hence date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on PAN of the Shareholder.

\* The details of shareholder at Sr. No. 12 is appearing above as the said shareholder was forming part of the top ten shareholders' list at the beginning of the year viz. 1<sup>st</sup> April, 2017.

**VI. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	For each of the Director and KMP's	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Pankaj B. Shah</b>				
	a) At the beginning of the Year	747550	13.53	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	747550	13.53
<b>2</b>	<b>Mr. Siddharth P. Shah</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>3</b>	<b>Mrs. Ankita Shah</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>4</b>	<b>Mr. Sandeep M. Batta</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>5</b>	<b>Mr. Deepak Mehta (resigned w.e.f. 14<sup>th</sup> December, 2017)</b>				
	a) At the beginning of the Year	100	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	100	0.00
<b>6</b>	<b>Mr. Sudhir Gupta</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>7</b>	<b>Mr. Sanjay Khare (resigned w.e.f. 30<sup>th</sup> April, 2018)</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>8</b>	<b>Ms. Shilpa A. Bhargava</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00

**VII. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	167,134,483	0	0	167,134,483
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>167,134,483</b>	<b>0</b>	<b>0</b>	<b>167,134,483</b>
<b>Change in Indebtedness during the financial year</b>				
- Addition	12,185,347			12,185,347
- Reduction	0			0
<b>Net Change</b>	<b>12,185,347</b>	<b>0</b>	<b>0</b>	<b>12,185,347</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	179,319,830			179,319,830
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>179,319,830</b>	<b>0</b>	<b>0</b>	<b>179,319,830</b>

**VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**i. Remuneration to Managing Director, Whole-time Directors and/or Manager**

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount (In ₹)
		Mr. Siddharth Shah (Executive Director)	Mrs. Ankita Shah (Executive Director)	
1.	Gross Salary			
2.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	1,200,000	2,400,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
3.	Stock Option	0	0	0
4.	Sweat Equity	0	0	0
5.	Commission	0	0	0



6.	Others, please specify	0	0	0
7.	<b>Total</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>2,400,000</b>
	Ceiling as per the Act, 2013	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.		

**ii. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	NAME OF DIRECTORS				Total Amount (In ₹)
		Independent Directors			Non- Independent / Non-Executive Directors	
		Mr. Sandeep Batta	Mr. Deepak Mehta (Resigned w.e.f. 14th December, 2017)	Mr. Sudhir Gupta	Mr. Pankaj Shah	
1.	Fees for attending Board/ Committee Meetings	0	0	0	0	0
2.	Commission	0	0	0	0	0
3.	Others	0	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Companies Act, 2013	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.				

**iii. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount (In ₹)
		Ms. Shilpa A. Bhargava	Mr. Sanjay Khare	
1.	Gross Salary	390,000	975,000	1365,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0
3.	Sweat Equity	0	0	0
4.	Commission	0	0	0
5.	Others, please specify	0	0	
6.	<b>Total</b>	<b>390,000</b>	<b>975,000</b>	<b>1365,000</b>

**IX. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL**

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

Place: Nagpur  
Date: 14<sup>th</sup> August, 2018

Siddharth Shah  
Executive Director  
DIN: 05304116

Pankaj Shah  
Director  
DIN: 00010504

**ANNEXURE II**
**FORM NO. AOC - 2**
**FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERE TO**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**1. Details of contracts or arrangements or transactions not at arm's length basis**

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2018 which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis**

(a)	Name(s) of the related party and nature of relationship:	Zaidun Leeng Sdn. Bhd. – Artefact Projects Ltd. (Joint Venture).
(b)	Nature of contracts/ arrangements/ transactions	Availment of Design, DPR Services
(c)	Duration of the contracts/ arrangements/ transactions	Extended upto 31 <sup>st</sup> March, 2019
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	<b>Availment of Design, DPR Services:</b> Consultancy Agreement dated 1 <sup>st</sup> June, 2016 as revised on 1 <sup>st</sup> January, 2017 for lump sum fees of ₹ 320.75 Lacs.
(e)	Date(s) of approval by the Board, if any:	9 <sup>th</sup> February, 2016
(f)	Amount paid as advances, if any:	Payment is made on 'work completed' basis towards the contracts periodically

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

**Place: Nagpur**  
**Date: 14<sup>th</sup> August, 2018**

**Siddharth Shah**  
**Executive Director**  
**DIN: 05304116**

**Pankaj Shah**  
**Director**  
**DIN: 00010504**

### ANNEXURE III- A

#### DETAILS OF THE RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN EMPLOYEE'S REMUNERATION

Median Remuneration of the employees of the company for the financial year is ₹ 1.12 Lacs.

<b>(i)</b>	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>
1	Mr. Pankaj Shah	0.00
2	Mr. Siddharth Shah	10.71
3	Mrs. Ankita Shah	10.71
4	Mr. Sandeep Batta	0.00
5	Mr. Deepak Mehta (Resigned w.e.f. 14 <sup>th</sup> December, 2017)	0.00
6	Mr. Sudhir Gupta	0.00
<b>(ii)</b>	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>% Increase over last F.Y.</b>
1	Mr. Pankaj Shah	0.00
2	Mr. Siddharth Shah	0.00
3	Mrs. Ankita Shah	100.00
4	Mr. Sandeep Batta	0.00
5	Mr. Deepak Mehta (Resigned w.e.f. 14 <sup>th</sup> December, 2017)	0.00
6	Mr. Sudhir Gupta	0.00
7	Mr. Sanjay Khare - CFO	23.00
8	Ms. Shilpa Bhargava - CS	8.00
<b>(iii)</b>	The percentage increase in the median remuneration of employees in the financial year	
		6.67
<b>(iv)</b>	The number of permanent employees on the rolls of the company	
		457
<b>(v)</b>	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The increase in the salary of the employees, if any, other than managerial personnel is based on various parameters as per the Human Resource Policy of the Company. Also, the number of employees has increased as compared to the previous financial year 16 -17. During the year under review, there is marginal increase in the remuneration of the managerial personnel as per the details stated above.

We hereby confirm that the remuneration is as per the remuneration policy recommended by Nomination and Remuneration Committee of the Company and adopted by the Company.

Place: Nagpur  
 Date: 14<sup>th</sup> August, 2018

**Siddharth Shah**  
 Executive Director  
 DIN: 05304116

**Sandeep Batta**  
 Chairman of Nomination &  
 Remuneration Committee  
 DIN: 02220509





**ANNEXURE III - B**  
**Information as required under Rule 5(2) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014**

<b>I Names of the top ten employees of the Company in terms of remuneration drawn</b>										
Sr. No	Name of employee	Designation of the employee	Remuneration received (Amt in Lacs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held before joining the Company	The percentage of equity shares held by the employee in the Company, within the meaning of Clause (iii) of sub-rule (2) Rule 5	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Amrendra Jaltare	Vice President, Highway	17.14	Permanent	BE(Civil), M.Tech	1/1/2009	47	RCC Consultant Nagpur	NIL	Not Related
2	Mr. Suresh Prasad Singh	Sr. Resident cum Highway Engineer	13.82	Permanent	BE(Civil), B.Tech	7/3/2017	63	RCD, Government of Jharkhand	NIL	Not Related
3	Mr. PrateekThakkar	Environmental engineer	12.50	Permanent	Master of Science (Environmental)	22-09-2008	39	Sheladia Associates, Inc, USA	NIL	Not Related
4	Mr. Sidhharth Shah	Executive Director	12.00	Contractual	BE(civil), M.Tech	7/6/2013	26	NA	NIL	Son of Mr. Pankaj Shah, Director
5	Mrs. Ankita Shah	Whole Time Director	12.00	Contractual	B.Arch, MFAB	02.01.2017	29	NA	NIL	Not Related
6	Mr. Sanjay Khare	Chief Financial Officer	11.97	Permanent	Bsc , ICWA	29-01-2016	59	Krishidhan Seeds Pvt.Ltd	NIL	Not Related
7	Mr. Santosh Akotkar	Sr. Quality Surveyor	11.68	Permanent	BE(Civil)	18-10-2010	37	Simplex Infrastructur Ltd	NIL	Not Related
8	Mr. R. Ummaheshwara Rao	Highway Design Engineer	11.56	Permanent	BE(civil), M.Tech	22-10-2016	49	AARVEE, Hyderabad	NIL	Not Related
9	Mr. N. Sreenivas Murthy	Manager / Sr. Resident Engg.	9.24	Permanent	BE	1/10/2014	52	STUP Consultants Pvt. Ltd	NIL	Not Related
10	Mr. Shiyam Lal Bhagat	Sr. Highway Engineer	9.11	Permanent	BE(Civil), B.Tech	21.06.2016	62	RCD, Government of Jharkhand	NIL	Not Related
<b>II</b>	<b>Name of employees who were employed throughout the Financial Year 2017-18 and were paid remuneration not less than 1 Crore 2 lakhs Rupees per annum.: NIL</b>									
<b>III</b>	<b>Name of employees who were employed in part during the Financial Year 2017-18 and were paid remuneration not less than 8 lakhs 50 thousand per month.: NIL</b>									
<b>IV</b>	<b>Name of employees who were employed throughout the Financial Year 2017-18 or part thereof and were paid remuneration in excess of Managing Director or Whole-time Director or Manager and holds along with his spouse and dependent children not less than 2% of equity shares of the Company.: NIL</b>									

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

**Siddharth Shah**  
**Executive Director**  
**DIN: 05304116**

**Pankaj Shah**  
**Director**  
**DIN: 00010504**

**Place: Nagpur**  
**Date: 14<sup>th</sup> August, 2018**

## ANNEXURE IV

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2018

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Artefact Projects Limited**  
Nagpur

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Artefact Projects Limited** (CIN:L65910MH1987PLC044887) and having its registered office at Block No. 107, 4<sup>th</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the audit period**);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the audit period);**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period);**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);** and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) There are no laws that are specifically applicable to the company based on their sector/industry. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above **subject to the following observations:**

**I Pertaining to Companies Act, 2013:**

- (a) *Section 149 read with Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014 requires that any intermittent vacancy of an independent director is to be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later; however the vacancy created on 14<sup>th</sup> December, 2017 due to resignation of one of the Independent Director of the Company is yet to be filled up;*
- (b) *the transfer of shares (on which the dividend has remained unpaid or unclaimed for last 7 years) to the Investor Education and Protection Fund Authority which was to be made on or before 4<sup>th</sup> December, 2017 was however completed only on 5<sup>th</sup> February, 2018;*

**II Pertaining to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR):**

- (c) *Regulation 17(2) provides that atleast half of the board of directors shall comprise of Independent directors; however due to Resignation of one of the Independent Director of the Company, effective from 14<sup>th</sup> December, 2017 the composition of the board of directors does not comply with this requirement; and*
- (d) *Regulation 25(6) also contains similar provisions as in Section 149 of the Act relating to filling up of intermittent vacancy of an independent director; accordingly in view of the observations in (a) herein above, the requirement of the above mentioned regulation is also not met.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors *subject to our observation at 'sub-para (a), (c) and (d) of the previous paragraph'.*

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act *subject to our observation as mentioned above.*

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines, standards.

**We further report that** during the audit period the company obtained the consent of Board of Directors in the Meeting held on 23<sup>rd</sup> May, 2017 for making investment in debt securities through acquisition of 5,00,000 5% Unsecured Compulsory Convertible Debentures of Rs.10/- each for an aggregate amount not exceeding Rs. 50,00,000/- (Rupees Fifty lacs only) in M/s. Glowide Infrastructure Private Limited.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**For Manish Ghia & Associates**  
*Company Secretaries*

**A.N. Sarma**  
*Partner*

**M. No. FCS 4557 C.P. No. 7812**

**Place : Mumbai**  
**Date: August 13, 2018**

‘Annexure A’

To,  
The Members,  
**Artefact Projects Limited**  
Nagpur

Our report of even date is to read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Manish Ghia & Associates**  
*Company Secretaries*

**A.N. Sarma**  
*Partner*

**M. No. FCS 4557 C.P. No. 7812**

**Place : Mumbai**  
**Date: August 13, 2018**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

This analysis report briefly describes 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 DEVELOPMENTS:

FY 2017-18 has been a watershed year in the domestic economy with the tax regime, Goods and Service Tax (GST), from July 2017. The implementation of GST will create a single marketplace, of its implementation, as anticipated, witnessed disruptions in supply chain, working capital constraints and greater compliance responsibility, especially for small and medium enterprises.

After three years of over 7% growth, the Indian economy slowed down slightly in 2017-18 recording 6.4% growth in real gross value added (GVA). Despite this slowdown, the economy continues to remain one of the fastest growing among major global economies. Infrastructure in the country has been characterized by massive under-investment.

### OUTLOOK AND IMPACT OF UNION BUDGET 2017-18 ON INFRASTRUCTURE SECTOR:

The reduction in Public Private Partnership (PPP), the need is to fill the infrastructure investment gap.

Highlights of the expenditure outlays on various infrastructure sectors in the Union Budget for 2018-19 are as follows:

1. The Government has increased budgetary and extra budgetary expenditure on infrastructure by around 20% from ₹ 4.94 lakh crore in 2017-18 to ₹ 5.97 lakh crore for 2018-19. Within the infrastructure sector, the focus areas of growth are clearly road transportation, railways, urban development and airports.
2. In roads, capital expenditure of ₹ 1,22,000 crore has been earmarked for expansion of National Highways (more than 9,000-km length was achieved in 2017-18). Connectivity with the interior, backward and border areas of the country is being sought under the recently approved Bharatmala Pariyojana program.
3. For railways, capital expenditure of ₹ 1,48,528 crore is earmarked for 18,000 km of doubling, third and fourth line works, 5,000 km of gauge conversion, 3,600 km of track renewals and rolling stock program for 12,000 wagons, 5,160 coaches, and 700 locomotives during 2018-19. The work on eastern and western DFC (Domestic Freight Corridor) is going on along with redevelopment of 600 major railway stations. In addition, ₹ 16,800 crore has been allotted for MRTS and Metro projects.

Thus, opportunities in the future are growing bigger. The need is to systematically deleverage balance sheets, prune fixed costs and monetize non-core activities and do so in a manner that gives sufficient comfort for expansion of business. The second need is to grow businesses and acquire talents. Engineering and Construction majors have to reduce dependence on assistance by banks.

### YOUR COMPANY'S MAJOR:

#### STRENGTHS include:-

The Company's strength lies in its domain expertise, successful performance track record, sector leadership, ability to cover entire spectrum of services for providing end to end comprehensive Technical and Project Management services for infrastructure development. Your company has strong order book. It is strategically exploiting the emerging opportunities. It has experienced sector experts with proven management track record. Your company has in place all operating systems, processes, documentation, software and hardware's sufficient for projects completion within scheduled time and matching the standards of quality.

#### OPPORTUNITIES include:-

Focus on infrastructure development provides enormous opportunities to the Company to expand its services in allied fields of Airports, Mining Services, Urban infrastructure projects, Smart cities and Railways. The Company can leverage its technical capability and to enhance shareholder's value. A vast growth opportunities emerges for build-up of diverse portfolio of profitable contracts.

**THREATS include:-**

Competition of new entrants in business, scarcity and cost increase of talent pool due to large demand, government approvals as impediments for implementation of projects, availability of affordable finance have an impact on development of sector. These threats are offset by reforms in Policy, Plans and Regulatory regime to a large extent which are taken by the Government and showing results.

**RISKS AND CONCERNS:**

The Company's ability to foresee and manage business risks is crucial in its efforts to achieve favorable results. While management is positive about the Company's long-term outlook, it has to overcome the possible risks. There is a risk that the Company may face shortage of finance and talented resources. Hence, your Company proposes to focus on its core strength in highways, mining and urban infrastructure to lower risks involved, and to focus in sectors where it has strong domain expertise.

Projects delay risks may adversely affect the services. However, the Company has continuity of projects awarded and spread out in geographical areas, where these risks are minimized.

A stretched working capital cycle and slow recovery of debts is also an area of large concern, which is addressed by rigorous management intervention and strong contract management of dues, to reduce the risks thereof. The amendment of Arbitration Act, focuses on mediation, separate courts for commercial disputes are good steps in the directions to resolve payment delays and commercial disputes. The Company has also decided to demonetize the non-core assets to reduce its debt burden to save interest costs.

**INTERNAL CONTROLS AND THEIR ADEQUACY:**

Your Company has adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. Such internal controls are supplemented by Internal Financial Control Manual and Program of internal audits, review of documented policies, guidelines and its procedures. These are designed to ensure that financial and other records are reliable for preparing financial information and other reports and for maintaining regular accountability of the Company's assets. The internal auditors of your Company present their report on a quarterly basis to the Audit Committee of the Board.

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

**NET WORTH:**

As on 31<sup>st</sup> March, 2018, the Net Worth of the Company stood at ₹ 3236.12 Lacs. The Book value of the equity shares of the company stood at ₹ 58.57 per share.

**SECURED LOANS:**

Total Secured Loans outstanding of the Company stood at ₹ 1688.03 Lacs as against ₹ 1567.64 Lacs for the previous year. This comprised of Bank Term loan of ₹ 676.83 Lacs, Bank working capital ₹ 1004.36 Lacs and Vehicle Loan of ₹ 6.84 Lacs.

There is increase in secured loan on account of increase in Working Capital limits on renewal cum enhancement.

**FIXED ASSETS:**

The gross block of fixed assets stood at ₹ 3093.05 Lacs as against ₹ 3053.83 Lacs for the previous year. The increase is on account of purchase of new asset being Furniture, Plants & Equipment, Computers and vehicles for new projects sites.

### **CURRENT ASSETS: SUNDRY DEBTORS:**

Sundry Debtors stood at ₹ 1848.09 Lacs, being an increase of about 7.59 % as compared to previous year. Debtors are mainly due to project billings largely outstanding of last quarter of the year, pending formal approvals. With all clients being Government/ PSU Clients, and considering their procedure for approvals, the formal approval based recovery makes it a business practice to sustain higher levels of Sundry Debtors as a normal business feature. The Company however continues to make efforts to reduce the level of debtors constantly.

**Note:** The Company has reversed the Trade Receivable amounting to ₹ 223.01 Lacs outstanding for more than 6 months which are neither approved nor disapproved by the Client, without prejudice to its Claims against the Clients already made therefor, as a measure of prudent accounting policy.

### **CASH & BANK BALANCES:**

The Cash and Bank Balances stood at ₹ 146.03 Lacs mainly consisting of balance with Bank and fixed deposits, being margins for Bank guarantees issued by the company.

### **LOANS & ADVANCES:**

Loans and advances stood at ₹ 668.20 Lacs (Previous year ₹ 926.56 Lacs). This Consists of Loans & Advances to related parties ₹ 48.88 Lacs, Deposits of ₹ 22.44 Lacs, Tax refunds due from revenue authorities, Cenvat Credit available and MAT Credit Entitlement is ₹ 544.41 Lacs and others debit balances of ₹ 52.47 Lacs.

### **CURRENT LIABILITIES & PROVISIONS (EXCLUDING CURRENT MATURITY OF SECURED LOAN):**

The current liabilities and provisions stood at ₹ 2788.88 Lacs (previous year ₹ 2547.14 Lacs). This mainly consists of Working Capital Loan of ₹ 1004.36 Lacs, Trade Payables of ₹ 338.48 Lacs, Statutory Liability of ₹ 756.42 Lacs, other Financial Liabilities of ₹ 139.23 Lacs, Short Term Provisions of ₹ 23.17 Lacs and other payables amounting to ₹ 527.22 Lacs.

### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

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

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

At the end of the Year 2017-2018, the break-up of Human Resource was employment of 277 Professional and 123 Senior Staff, total being 400.

### **NON-OPERATING INCOME:**

- Non –operating income includes interest received on Income Tax Refund of ₹11.34 Lacs which is likely to continue to be received in following year on Income Tax refunds due.
- Loan to former subsidiary i.e. M/s Artefact Infrastructure Limited stood at ₹136.14 Lacs is likely to be repaid in ensuing year.

### **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

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders value while safeguarding the interest of all the stakeholders. Good governance enables the Company to operate in an ethical manner, meet business expectations and fulfill its social responsibilities. Core values of 'Artefact Projects Limited' are based on integrity, respect for the law and compliance thereof, emphasis on quality services.

Sound Corporate Governance is critical for enhancing and retaining investor trust. Your Company seeks to ensure that its performance goals are met accordingly yet continues to focus its resources, strengths and strategies to be a true leader in infrastructure services, while upholding the core values of excellence, integrity, responsibility and professional excellence. The Company focuses on the need to also provide a sustainable competitive return for our investors.

As per the requirements of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), the Directors thereby present the Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2018.

### BOARD OF DIRECTORS:

#### A. COMPOSITION:

The Board has an appropriate mix of Executive and Non – Executive Directors to maintain its independence. As on March 31, 2018, the Company had five Directors including one woman Director. Of the five Directors, three are Non-Executive Directors out of which two are Independent Directors.

As required under the provisions of Regulation 17 of Listing Regulations, the composition of Board is short of one Independent Director as on March 31, 2018, due to casual vacancy in the office of Independent Director upon resignation of Mr. Deepak Mehta w.e.f. December 14, 2017.

The Composition of the Board as on 31<sup>st</sup> March, 2018 was as follows:

Sr. No	Name of the Director	Category
1	Mr. Pankaj Shah	Non Executive Director
2	Mr. Siddharth Shah	Executive Director
3	Mrs. Ankita Shah	Executive Director
4	Mr. Sandeep Batta	Independent Director
5	Mr. Sudhir Gupta	Independent Director

The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 (“the Act”) and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limits under applicable regulations. The maximum tenure of independent directors is in compliance with the Act. The Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Act read with the Rules framed thereunder.

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. PROCEDURES ADOPTED AT MEETING OF THE BOARD:**

Minimum four Meetings of the Board are scheduled in a year, and the meetings are usually held at the Registered Office of the Company. The agenda for the Board Meeting is prepared in consultation with Directors and other Senior Managerial Personnel. The agenda for the meetings of the Board and Committees are circulated well in advance of the meeting.

At the meetings of the Board, presentations on finance & accounts, industry outlook, business development opportunities and initiatives, statutory compliances etc. are being presented. This includes financial statements, minutes of the board meetings, investments, bid submission, corporate developments, any JV agreement, if any entered into, etc.

The meetings are conducted in compliance with the provisions of Secretarial Standard-1 on “Meetings of the Board of Directors”, issued by the Institute of Company Secretaries of India (ICSI).

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.
- Major investments, formation of Joint Ventures, Strategic Alliances etc., planned and executed.
- Status of bidding for new projects, ongoing projects, new awards.
- Any material default in financial obligations, if any.
- Annual operating plans and Capital Budgets.
- Annual Financial Statements, Board's 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.
- The information on recruitment and promotion of Key Senior Officers and Functional Heads 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 MEETINGS OF THE BOARD AND LAST ANNUAL GENERAL MEETING:

During the financial year 2017-18, the Board of Directors met 6 (Six) times on the following dates:

1	23 <sup>rd</sup> May, 2017	4	14 <sup>th</sup> December, 2017
2	30 <sup>th</sup> August, 2017	5	14 <sup>th</sup> February, 2018
3	14 <sup>th</sup> September, 2017	6	31 <sup>st</sup> March, 2018

The details of composition of Directors, their attendance at each Board Meeting and at the previous 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, 2018 is given below:

Sr. No	Name of the Director	No. of Board Meetings		Attendance at AGM held on 30 <sup>th</sup> June, 2017	As on 31 <sup>st</sup> March, 2018 (Excluding Position in the Company)			Inter se relation among Directors
		Held	Attended		No. of Directorships	Committee		
						Membership	Chairmanship	
1	Mr. Pankaj Shah, Non Executive Director	6	6	Yes	0	0	0	Mr. Pankaj Shah is father of Mr. Siddharth Shah
2	Mr. Siddharth Shah, Executive Director	6	6	Yes	0	0	0	Mr. Siddharth Shah is son of Mr. Pankaj Shah
3	Mrs. Ankita Shah, Whole Time Director	6	6	Yes	0	0	0	Not Related
4	Mr. Deepak Mehta, Independent Director *	4	4	Yes	0	0	0	Not Related
5	Mr. Sandeep Batta, Independent Director	6	6	Yes	2	0	0	Not Related
6	Mr. Sudhir Gupta, Independent Director	6	6	No	0	0	0	Not Related

\*Mr. Deepak Mehta resigned as Independent Director w.e.f. 14<sup>th</sup> December, 2017

### Note:

1. Directorships held by Directors in respect of Private Limited companies, companies incorporated under Section 8 of the Companies Act, 2013 and foreign companies have not been included.
2. Position in Audit Committee and Stakeholders' Relationship Committee alone are considered for the purpose.
3. None of the Directors is a member of more than Ten Committees and Chairman of more than Five Committees [as specified in Regulation 26 of Listing Regulations] across all the companies in which they are directors.
4. None of the Independent Director serves as an Independent Director in more than seven listed companies [as specified in Regulation 25 of Listing Regulations]
5. The necessary quorum was present for all the meetings.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under Schedule IV of the Companies Act, 2013 and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 30<sup>th</sup> November, 2017 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and also the system regarding flow of information between the Board and the Management and vice versa.

### DIRECTORS FAMILIARIZATION PROGRAMME:

The Board of Directors is responsible for overall supervision of the Company. To achieve this, Board undertakes periodic review of various matters including business performance, risk management etc. In order to enable the directors to understand the company procedures and business models, the Company undertakes necessary induction programmes for new Directors and ongoing training for existing Directors.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The details of Director's induction and familiarization are available on the Company's website at

<http://www.artefactprojects.com/Familiarization%20Programmes%20For%20Independent%20Directors.pdf>

### CODE OF CONDUCT:

The Board of Directors has laid down a Code of Conduct for all members of the Board of Directors and Senior Management Personnel. The Code covers the Company's commitment to honest and ethical professional conduct, fair competition, corporate social responsibility, sustainable environment, health and safety, transparency and compliance of laws and regulations etc. A declaration by Mr. Siddharth P. Shah, Executive Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2018 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

## 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 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 the respective Committee for their comments and thereafter, confirmed by the respective Committee in its next meeting. The terms of reference of each committee has been approved by the Board.

Currently the Company has the following Four (4) Committees of the Board:

- i) Audit Committee
- ii) Nomination & Remuneration Committee
- iii) Stakeholders' Relationship Committee
- iv) Ad-hoc Committee

In addition to the aforesaid committees, the Company also has following Two (2) committees:

- i) Borrowing Committee
- ii) Management Committee

### A) BOARD COMMITTEES:

#### i) AUDIT COMMITTEE:

The Company has an Audit Committee constituted in terms of Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Regulations which exercises the powers and discharges the functions as stipulated under the applicable laws. The Committee also undertakes and reviews such matters as may be delegated by the Board from time to time.

As on 31<sup>st</sup> March, 2018, the Audit Committee comprises of Two Independent Directors and One Non - Executive Director. The Chairman of the Audit Committee is an Independent Director. All the members of Audit Committee are financially literate and possess a sound insight to interpret and understand the financial statements.

#### a) Composition of the committee, meetings and attendance:

During the financial year 2017-18, the Audit Committee met 4 (Four) times on the following dates:

1	23 <sup>rd</sup> May, 2017	3	14 <sup>th</sup> December, 2017
2	14 <sup>th</sup> September, 2017	4	14 <sup>th</sup> February, 2018

As stipulated, the gap between any two meetings of the Committee did not exceed one hundred and twenty days and the necessary quorum was present for all meetings. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Sandeep Batta	Chairman	4	4
Mr. Pankaj Shah	Member	4	4
Mr. Deepak Mehta	Member (upto 13 <sup>th</sup> December, 2017)	3	3
Mr. Sudhir Gupta	Member (w.e.f. 14 <sup>th</sup> December, 2017)	1	1

Ms. Shilpa A. Bhargava, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee. The Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company held on Friday, 30<sup>th</sup> June, 2017.

**b) Terms of reference 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. Matters required to be included in the director's responsibility statement forming part of the Board's 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 of 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, remuneration and terms of appointment of auditors of the Company.
6. Reviewing the adequacy of internal control system with the Management, external and internal auditors.
7. Reviewing with the adequacy of internal audit function, 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 Statutory 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. Scrutiny of intercorporate loans and investments
16. Valuation of undertakings and assets of the Company, wherever it is required
17. Carrying out any other function as delegated by the Board of Directors.
18. Review the functioning of Whistle Blower Mechanism.

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.

**c) 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 chief internal auditor shall be subject to review by the Audit Committee.

**ii) NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee is duly constituted as per the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee is empowered to formulate the Remuneration Policy which includes the criteria for qualifications, experience, independence and remuneration of Directors, KMP and employees and criteria for evaluation of Independent Directors and to recommend the appointment/re-appointment. The Nomination and Remuneration Committee recommends the remuneration payable to Executive directors of the Company.

**a) Composition of the committee, meetings and attendance:**

During the financial year 2017-18, the Committee met 2 (Two) times on 22<sup>nd</sup> May, 2017 and 30<sup>th</sup> March, 2018. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Sandeep Batta	Chairman	2	2
Mr. Pankaj Shah	Member	2	2
Mr. Deepak Mehta	Member (upto 13 <sup>th</sup> December, 2017)	1	1
Mr. Sudhir Gupta	Member (w.e.f. 14 <sup>th</sup> December, 2017)	1	1

Ms. Shilpa A. Bhargava, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

**b) Terms of reference of Nomination and Remuneration Committee:**

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- v. whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors.

**c) Remuneration Policy:**

The Company follows a comprehensive policy for selection, recommendation, appointment of Directors and other senior managerial employees and also on the remuneration, and such other related provision as applicable.

**Selection:**

- ▶ Any person to be appointed as a Director on the Board of Directors of the Company or as KMP or Senior Management Personnel, including Independent Directors, shall possess appropriate skills, experience and knowledge in one or more fields of sciences, actuarial sciences, banking, finance, economics, law, management, sales, marketing, administration, research, corporate governance or technical operations.



- ▶ Any person to be appointed as a Director on the Board of the Company shall possess the relevant experience and shall be able to provide policy directions to the Company, including directions on good corporate governance.
- ▶ While appointing any person as Chief Executive Officer, Managing Director or a Whole-time director of the Company, his / her educational qualification, work experience, industry experience, etc. shall be considered.

#### **Remuneration of Executive Director:**

- At the time of appointment or re-appointment, the Executive Director's shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Executive Director within the overall limits prescribed under the Companies Act.
- The remuneration shall be subject to the approval of the Members of the Company in General Meeting.
- The remuneration of the Executive Directors is broadly divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component shall comprise of performance bonus.

In determining the remuneration (including the fixed increment and performance bonus) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmarks;
2. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
3. Responsibility of the Executive Director's and the industry benchmarks and the current trends;
4. The Company's performance vis-à-vis the annual budget achievement and individual performance.

#### **Remuneration of Non-Executive Directors:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings. A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

No sitting fee was paid to the Non- executive/ Independent Directors during the financial year.

The Independent Directors of the Company shall not be entitled to participate in Stock Option Schemes of the Company, if any, introduced by the Company.

#### **Remuneration of Senior Management Employees:**

In determining the remuneration of the Senior Management employees (i.e. KMPs and Executive Committee Members) the Nomination & Remuneration Committee shall consider the following:

1. The relationship of remuneration and performance benchmark is clear;
2. The fixed pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;

3. The components of remuneration includes salaries, perquisites and retirement benefits;
4. The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, industry benchmark and current compensation trends in the market.

**d) Performance evaluation criteria for Independent Directors:**

The Committee shall carry out evaluation of every director's performance based on the criteria formulated by the Committee and after taking into account the appraisal score card and other factors, recommends the annual increment to the Board for its review and approval.

The performance evaluation of Independent Directors was done by the entire Board excluding the director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires. The Board expressed satisfaction over their performance and decided that the Independent Directors shall continue with their term of appointment. The synopsis of which is provided in Board's Report.

**Details of Remuneration paid during the Financial Year 2017-18 and No. of Shares held by directors as on 31<sup>st</sup> March, 2018:**

Name of Director	Salary* (₹)	Sitting Fees** (₹)	Commission (₹)	No. of Equity Shares held
Mr. Pankaj B. Shah	-	-	-	7,47,550
Mr. Siddharth P. Shah	12,00,000	-	-	-
Mr. Deepak Mehta (Resigned w.e.f. 14 <sup>th</sup> December 2017)	-	-	-	-
Mr. Sandeep M. Batta	-	-	-	-
Mrs. Ankita Shah	12,00,000	-	-	-
Mr. Sudhir Gupta	-	-	-	-
<b>Total</b>	<b>24,00,000</b>	-	-	<b>7,47,550</b>

\* Salary includes perquisites

\*\* None of the directors are paid any sitting fees for attending the Board or committee meeting.

The tenure of office of the Executive Director is for three years from the respective date of appointment and can be terminated by either party by giving reasonable period of notice in writing or as per the terms of Agreement.

**iii) STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of Listing Regulations. This Committee is empowered to oversee the redressal of investors' complaints pertaining to Share transfers, non-receipt of annual reports, declared dividends, issue of duplicate certificates, transfer/transmission/demat/remat of shares and other miscellaneous complaints. This Committee is responsible for the satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

**a) Composition of the Committee, Meetings and Attendance:**

During the financial year 2017-18, the Committee met 4 (Four) times on 21<sup>st</sup> April, 2017, 21<sup>st</sup> July, 2017, 20<sup>th</sup> October, 2017 and 20<sup>th</sup> January, 2018. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Sandeep Batta	Chairman	4	4
Mr. Pankaj Shah	Member	4	4
Mr. Deepak Mehta	Member (upto 13 <sup>th</sup> December, 2017)	3	3
Mr. Sudhir Gupta	Member (w.e.f. 14 <sup>th</sup> December, 2017)	1	1

Ms. Shilpa A. Bhargava, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

**b) Terms of reference of Stakeholders' Relationship Committee:**

- Ensure redressal of the shareholders' and investors' complaints relating to transfer of share, non-receipt of dividend, Financial Statements;
- 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.

**c) Status of Investors' Complaints (As on 31<sup>st</sup> March, 2018):**

At the beginning of the year	Received during the year	Resolved during the year	Pending at the End of the year
0	1	1	0

**iv) AD-HOC COMMITTEE:**

**a) Composition of the Committee, Meetings and Attendance:**

During the financial year 2017-18, the Committee met 8 (Eight) times on 04<sup>th</sup> May, 2017, 22<sup>nd</sup> July, 2017, 07<sup>th</sup> September, 2017, 03<sup>rd</sup> October, 2017, 31<sup>st</sup> October, 2017, 07<sup>th</sup> November, 2017, 12<sup>th</sup> December, 2017 and 08<sup>th</sup> January, 2018. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Pankaj Shah	Chairman	8	8
Mr. Sandeep Batta	Member	8	8
Mr. Deepak Mehta	Member (upto 13 <sup>th</sup> December, 2017)	7	7
Mr. Siddharth Shah	Member	8	8
Mr. Sudhir Gupta	Member (w.e.f. 14 <sup>th</sup> December, 2017)	1	1

**b) Terms of Reference of Ad-Hoc Committee:**

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 authorize the day to day transactions for carry on smooth operations of the Company.

**B) OTHER COMMITTEES:**

**i) BORROWING COMMITTEE:**

**a) Composition of the Committee, Meetings and Attendance:**

During the financial year 2017-18, the Committee met once on 23<sup>rd</sup> August, 2017. The composition and attendance of members of the Committee at meeting was as follows:

Name of Member	Chairman/ Member	No. of Meetings	
		Held	Attended
Mr. Pankaj Shah	Chairman	1	1
Mr. Chetan Shah	Member	1	1
Mr. Deepak Mehta	Member (upto 13 <sup>th</sup> December, 2017)	1	1
Mr. Sudhir Gupta	Member (w.e.f. 14 <sup>th</sup> December, 2017)	0	0

**b) Terms of reference of Borrowing Committee:**

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 and are also used appropriately. It reviews the financial assets and liabilities framework of the Company and prepares, updates the Board for approval on the financial asset and liability risk management guidelines. It is free to appoint outside counsel.

**ii) MANAGEMENT COMMITTEE:**

**a) Composition of the Committee, Meetings and Attendance:**

No meeting of Management Committee was held during the financial year 2017-18. The composition of the Committee was as follows:

Name of Member	Chairman/Member
Mr. Pankaj Shah	Chairman
Mr. Chetan Shah	Member
Mr. Siddharth Shah	Member

**b) Terms of reference of Management Committee**

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 committee shall be, but not limited to:

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

**GENERAL BODY MEETINGS:**

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

Date and Year	Time	Location
30 <sup>th</sup> June, 2017	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
29 <sup>th</sup> September, 2016	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
29 <sup>th</sup> September, 2015	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015

**ii) Details of Special Resolutions passed in the previous three Annual General Meetings are as under:**

Date	Purpose of Special Resolution
30 <sup>th</sup> June, 2017	No Special Resolution was proposed or passed.
29 <sup>th</sup> September, 2016	1.Special Resolution for approval of Related Party Transactions.
29 <sup>th</sup> September, 2015	1.Special Resolution for adoption of new set of Articles 2.Special Resolution for Increase in limits of loans and advances shall not exceed the sum of Rs. 100 Crores at any point of time. 3.Special Resolution for approval of Related Party Transactions.

## **EXTRA ORDINARY GENERAL MEETING**

No Extra-ordinary General Meeting was held during the financial year 2017-18.

### **POSTAL BALLOT CONDUCTED DURING THE YEAR:**

No Special Resolution was proposed through Postal Ballot during the financial year 2017-18. 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:**

The related party transactions during the financial year 2017-18 were on Arm's Length Basis and in Ordinary course of Business. The transactions with the related parties, as per the requirements of the Indian Accounting Standard (Ind-AS) 24, are disclosed in the notes on Accounts, forming part of the Annual Report. The policy on dealing with Related Party Transaction is available on Company's website at <http://www.artefactprojects.com/Related%20Party%20Transactions%20Policy.pdf>

### **II. DISCLOSURE OF ACCOUNTING TREATMENT:**

Pursuant to SEBI Circular dated 5<sup>th</sup> July, 2016, the Company has adopted Indian Accounting Standards ("Ind AS") which is applicable w.e.f 1<sup>st</sup> April 2017 and accordingly the financial statements have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

### **III. COMPLIANCE RELATED TO CAPITAL MARKET:**

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 except the below:

In respect of the financial year 2015-16, the Quarterly/ Half Yearly results were announced within 45 days of the end of the each quarter whereas the audited results for the year ended 31<sup>st</sup> March, 2016 was announced beyond 60 days i.e. on 13<sup>th</sup> June, 2016 (due to adjournment of original Meeting held on 30<sup>th</sup> May, 2016 and further adjourned to 6<sup>th</sup> June, 2016) and the Company has paid necessary penalty imposed by the stock exchange.

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

The Company Secretary is an Officer of the Company responsible for compliances by the Company of the provisions of the Companies Act, 2013 and various other corporate, taxation, industrial and economic laws applicable to the Company in general. 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.

## **V. AUDITS AND INTERNAL CHECKS:**

M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur were the Statutory Auditors of the Company for the financial year 2017-18.

The Company had appointed M/s P.T. Chhabria & Co., a firm of Chartered Accountants, Nagpur as an Internal Auditor who conducted Internal Audit to monitor and ensure that the Company is following high standards of conduct in accounting methods and procedures, complying with the regulatory requirements.

## **VI. SUBSIDIARY COMPANY:**

As on 31<sup>st</sup> March, 2018, the Company does not have any Subsidiary or Associate companies. However, the Company has 3 Joint ventures as on 31<sup>st</sup> March, 2018, the details of which are provided in the Board's Report.

The Company has a policy for determining material subsidiaries which is disclosed on the website at [http://www.artefactprojects.com/Investors\\_Policy.pdf](http://www.artefactprojects.com/Investors_Policy.pdf)

## **VII. 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 covers the following points:

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.

## **VIII. VIGIL MECHANISM POLICY/WHISTLE BLOWER MECHANISM:**

The Company promotes ethical behavior in all its business activities and adopted Vigil Mechanism/Whistle Blower Policy to report unethical and fraudulent behavior. Under the said policy the Employees, Directors can report any suspected or confirmed incident of fraud, misconduct, unethical behavior etc. to the Company. This will ensure fraud-free work & ethical environment. The unethical and fraudulent behavior can be communicated at:



**Mr. Ashok Karwa**

Chief Financial Officer  
Artefact Projects Limited  
Block No. 107, 4<sup>th</sup> Floor, “Artefact Towers”,  
54/3, Chhatrapati Square,  
Wardha Road, Nagpur – 440 015  
E-mail: [artefactnagpur@gmail.com](mailto:artefactnagpur@gmail.com), [agkarwa@gmail.com](mailto:agkarwa@gmail.com)  
Tel: #91 - 712 - 3025 120 / 194  
Fax: #91 - 712 - 3025 128

The mechanism also provides for adequate safeguards against victimization of employees and directors who avail of the mechanism and direct access to the Chairman of the Audit Committee is also available in exceptional cases. The Whistle Blower Policy is available on the website of the Company at <http://www.artefactprojects.com/Whistle%20Blower%20Policy.pdf>

We affirm that during the financial year 2017-18, no employee or director was denied access to the Audit Committee.

**IX. CEO / CFO CERTIFICATION:**

As required under Regulation 17(8) of Listing Regulations, a certificate from Mr. Siddharth P. Shah, Executive Director of the Company certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed to and forms part of the Annual Report.

**X. CODE ON INSIDER TRADING:**

The Company has adopted a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders as per the SEBI (Prohibition of Insider Trading) Regulations, 2015.

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.

**XI. 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 Financial Results were published in English Newspaper i.e. The Indian Express and Marathi Newspaper i.e. Loksatta.

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 BSE Limited.

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

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

The Company has not made any presentations/press release to Institutional Investors or to the Analysts during the year under review.



## **XII. DETAILS OF COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS:**

The Company has complied with all mandatory requirements under Regulation 27 of the Listing Regulations. The Company has also complied with the requirements of Part C (Corporate Governance Report) of sub-paras (2) to (10) of Schedule V of the Listing Regulations except the following:

- a. Half of the Board as on 31<sup>st</sup> March, 2018 did not comprise of Independent Directors as provided under Regulation 17 of Listing Regulations and
- b. intermittent vacancy caused in the office of Independent Director was not filled within statutory timeline as required under Regulation 25(6) of Listing Regulations.

The Company has complied with all other Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this report except as mentioned above.

The Company has adopted the following non-mandatory requirements of Listing Regulations:

- Reporting of Internal Auditor: The Internal Auditor directly reports to the Audit Committee.

The Auditors Certificate on Compliance with provisions related to Corporate Governance as stipulated in Schedule V (E) of Listing Regulations by the Company is also annexed to this report.

## **XIII. COMMODITY PRICE RISK AND COMMODITY HEDGING ACTIVITIES – Not Applicable**

### **ADDITIONAL INFORMATION FOR THE SHAREHOLDERS:**

#### **1. UNCLAIMED DIVIDENDS:**

Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the unpaid or unclaimed dividend along with shares for the financial year 2009-10 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Pursuant to the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company for the financial year 2010-11. The balance amount lying in Unpaid Dividend Account for the financial year 2010-11 is due for transfer to the IEPF during the month of November, 2018. Members, who have not encashed their dividend for the financial year 2010-11, are advised to write to the Company immediately claiming dividends declared by the Company.

The details of due date for transfer of unpaid/unclaimed dividend is as follows:

<b>Year</b>	<b>Dividend Rate per share</b>	<b>Date of Declaration</b>	<b>Due Date for transfer to IEPF</b>
2010-11	Re.0.75	29 <sup>th</sup> September, 2011	5 <sup>th</sup> November, 2018
2011-12	Re.0.75	28 <sup>th</sup> September, 2012	4 <sup>th</sup> November, 2019
2012-13	NIL	NIL	NIL
2013-14	NIL	NIL	NIL
2014-15	NIL	NIL	NIL
2015-16	NIL	NIL	NIL
2016-17	NIL	NIL	NIL

As per the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the DEMAT account of the IEPF Authority. The shareholders are requested to claim the unclaimed dividend immediately in order to avoid the transfer of shares to the Authority.

## 2. SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE:

As a part of Green Initiative, 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' or fill up the Email Updation Form and send to the Company.

### GENERAL SHAREHOLDERS INFORMATION:

(a) Annual General Meeting Date: Time: Venue:	Saturday, 29 <sup>th</sup> September, 2018 11.00 AM Block No. 107, 4 <sup>th</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015	
(b) Financial Year	1 <sup>st</sup> April to 31 <sup>st</sup> March	
(c) Financial Calendar (Tentative):	Result for the quarter ended 30 <sup>th</sup> June, 2018	On 14 <sup>th</sup> August, 2018
	Result for the quarter ending 30 <sup>th</sup> September, 2018	By 14 <sup>th</sup> November, 2018
	Result for the quarter ending 31 <sup>st</sup> December, 2018	By 14 <sup>th</sup> February, 2019
	Audited Result for the quarter and year ending 31 <sup>st</sup> March, 2019	By 30 <sup>th</sup> May, 2019 (Audited)
(d) Book Closure Date:	From Wednesday, 26 <sup>th</sup> September, 2018 to Saturday, 29 <sup>th</sup> September, 2018 (both days inclusive).	
(e) Cut off date for remote e-voting	The remote e-voting / voting rights of the shareholders/ beneficial owners shall be reckoned on the equity shares held by them as on the Cut-off Date i.e. Saturday, 22 <sup>nd</sup> September, 2018.	
(f) Listing on Stock Exchange:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Company has paid Listing fees for the year 2017-18	
(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 (Unit: Artefact Projects Limited) C-101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083 Phn: 02249186000	

(k) Distribution of shareholding & Shareholding pattern:	As per Appendix “C”
(l) Share Transfer System:	All share transfers are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations, and files a copy of the same with the Stock Exchange. 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 21 days.
(m) Dematerialization of shares:	As on 31 <sup>st</sup> March, 2018, 97.03% of the equity shares of the Company are held in dematerialized form with NSDL and CDSL.
(n) Conversion of Share Warrants:	Nil
(o) Plant Location:	Nil
(p) Address for the correspondence: Company:	Block No. 107, 4 <sup>th</sup> Floor, “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 & impact on Equity:	Your Company has not issued any ADRs, GDRs or any convertible instruments.

## APPENDIX – A

### MARKET PRICE DATA

**COMPANY : ARTEFACT PROJECTS LIMITED**

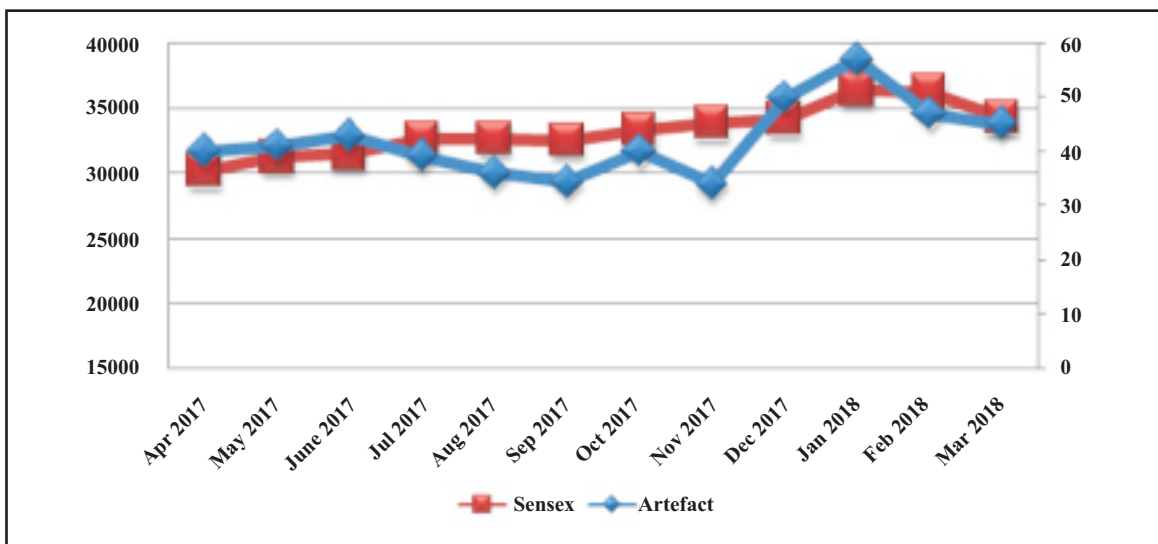
**SCRIP CODE : 531297**

Month	Prices of shares of the Company at BSE (₹)*		Volume* (No. of Shares)	BSE Sensex* (Points)	
	High Price	Low Price		High	Low
<b>Apr 2017</b>	40.05	31.10	6868	30184.22	29241.48
<b>May 2017</b>	41.60	33.65	2280	31255.28	29804.12
<b>Jun 2017</b>	42.95	28.90	13340	31522.87	30680.66
<b>Jul 2017</b>	39.25	31.90	1244	32672.66	31017.11
<b>Aug 2017</b>	36.60	29.90	2551	32686.48	31128.02
<b>Sep 2017</b>	34.45	24.30	9431	32524.11	31081.83
<b>Oct 2017</b>	40.80	29.55	6734	33340.17	31440.48
<b>Nov 2017</b>	34.50	24.70	35546	33865.95	32683.59
<b>Dec 2017</b>	50.10	36.20	68995	34137.97	32565.16
<b>Jan 2018</b>	57.40	50.00	38925	36443.98	33703.37
<b>Feb 2018</b>	47.50	47.50	25	36256.83	3482.81
<b>Mar 2018</b>	45.15	40.80	550	34278.63	32483.84

\* 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, 2018

Category	Number of Shareholders (#)	Total number of Shareholders (%)	Total number of Shares	Total number of Shares (%)
1-500	1443	81.62	237505	4.30
501-1,000	133	7.52	108298	1.96
1,001-2,000	73	4.13	112420	2.03
2,001-3,000	36	2.04	88246	1.60
3,001-4,000	14	0.79	51307	0.93
4,001-5,000	10	0.57	47859	0.87
5,001-10,000	17	0.96	130013	2.35
10,001 & Above	42	2.38	4749352	85.96
<b>Total</b>	<b>1768</b>	<b>100.00</b>	<b>5525000</b>	<b>100.00</b>

#Total numbers of Shareholders are not consolidated on PAN basis.

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2018

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. Bodies Corporate	4,94,237	8.95
3. Individuals	14,49,457	26.23
4. HUF	2,54,926	4.61
5. NRI's/ OCB's	25,173	0.46
6. Clearing Members	2,27,363	4.12
7. Government Companies	45,444	0.82
8. NBFC's registered with RBI	17,000	0.31
<b>TOTAL</b>	<b>55,25,000</b>	<b>100.00</b>

#### SHAREHOLDER'S REFERENCER:

##### At a glance:

- Face value of the Company's Equity shares is Rs.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 97.03% 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.

- **SEBI Complaints Redress System (SCORES):**

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company. Through SCORES the investors can view online, the action taken and current status of the complaints.

SEBI vide its Circular dated 26<sup>th</sup> March, 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at [https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures\\_38481.html](https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redressmechanism-new-policy-measures_38481.html)

**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 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 for Directors and Senior Management for the financial year 2017-18.

**For Artefact Projects Limited**

**Place: Nagpur**  
**Date: 14<sup>th</sup> August, 2018**

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

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF ARTEFACT PROJECTS LIMITED

1. 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, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and Clauses (b) to (i) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2018 except in the following:
  - a) Half of the Board as on 31<sup>st</sup> March, 2018 did not comprise of Independent Directors as provided under Regulation 17 of Listing Regulations and
  - b) Intermittent vacancy caused in the office of Independent Director was not filled within statutory timeline as required under Regulation 25(6) of Listing Regulations.
5. 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 Banthia Damani & Associates**  
**Chartered Accountants**  
**Firm Registration Number- 126132W**

**Sd/-**  
**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**  
Place: Nagpur  
Date : August 14, 2018



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**BANTHIA DAMANI & ASSOCIATES****CHARTERED ACCOUNTANTS****Off. FO-19, Amarjyoti Palace, Wardha Road, Dhantoli, Nagpur 440012****Ph. No. 0712-2439300****INDEPENDENT AUDITORS' REPORT**

To  
The Members  
**ARTEFACT PROJECTS LIMITED**

**Report on the Indian Accounting Standards (Ind AS) Financial Statements**

We have audited the accompanying Ind AS financial statements of **ARTEFACT PROJECTS LIMITED** (“the Company”), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view 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 the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

### **Basis for Qualified Opinion**

*Attention is drawn to:*

- i) Note no. 9.01 to the accompanying statement of audited financial results, wherein the management of the company has considered trade receivables outstanding for more than 6 months amounting to **Rs. 1,092.69 Lacs** as good and fully recoverable. As per management the receivables are fully due from the Government Departments as per Express Contracts provisions of the agreement and hence the same are considered good and recoverable and no provision is required. We are unable to comment the exact extent to which these balances shall be recoverable.*
- ii) Note No. 20.01 to the accompanying statement of audited financial results, regarding non-provision of service tax demand as per Order of Commissioner (Appeals) of Rs. 188.89 Lacs and penalty of Rs.188.89 Lacs thereon. The company had contested the demand in appeal before Appellate Tribunal and as per Order of Tribunal dated 27.03.2018 No. ST/86888/2014-ST/DB, the Service Tax demand of Rs 31.16 lacs and penalty of Rs 170.93 Lacs is waived. Further amount of Rs 129.39 Lacs was paid against outstanding demand. For balance demand and penalty of Rs 17.96 Lacs, the matter has been remanded to Commissioner (Appeals) for the Company to submit the other relevant evidences. The company does not envisage any liability thereon.*
- iii) Note no.20.02 to the financial statements regarding the payments due of service tax amounting to **Rs.119.72 Lacs** (net of CENVAT credit) as on March 2018 and non-filing of Service Tax Returns from April 2017 to June 2017. Provision for the interest on late payments of service has been made in the books. Any other impact on the financial statements cannot be quantified at this stage and will be accounted for as and when determined.*
- iv) Note no.20.02 to the financial statements regarding the payments due of GST of **Rs.272.58 Lacs** (Net of Input Credit) and non-filing of GST Returns since August 2017. Interest for delay in payment of GST and Late fees for non-filing of GST Returns has been provided for in the books. Any other impact on the financial statements which cannot be quantified at this stage and will be accounted for as and when determined.*



- v) *Note no.20.03 to the financial statements regarding the payments due of TDS of **Rs.133.22 Lacs** and non-filing of TDS Returns since April 2017. Interest for delay in payment of TDS and late fees for non-filing of TDS returns has been provided for in the books. Any other impact of non-filing of these returns which cannot be quantified at this stage shall be provided for as and when determined.*
- vi) *Note no.12.03 to the financial statements wherein the Management of the Company has considered the receivable amounting to **Rs. 72.72 Lacs** given as sponsorship for higher education in earlier years as good and recoverable even though he has not fulfilled his stipulated commitments and obligations till date. As explained to us, the said loan is considered good and recoverable based on management's assessment.*
- vii) *Note no.9.02, 20.04, 21.01 to the financial statements as regards trade receivables amounting to **Rs. 223.01 Lacs** of earlier years outstanding in the books of accounts credited to parties by reducing consultancy receipts of the current year and consequently unrealized service tax liability of **Rs. 33.45 Lacs** thereon outstanding in the books of accounts also reversed during the year.*
- viii) *Note no.20.04 to the financial statements as regards unrealized service tax liability of **Rs. 120.72 Lacs** outstanding in the books of accounts for earlier years written off during the year. Consequently, sundry debtors have also been reduced by the said amount.*
- ix) *As stated in Note no 6.01, the Company has not evaluated whether any impairment provision is required for expected Losses in accordance with Ind-AS-109- "Financial Instruments", for investments in equity shares and fully compulsory convertible debentures amounting to Rs. 12.90 crores on 31<sup>st</sup> March, 2018 to Companies which have incurred losses and have negative net worth.*

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of the matters described in the basis for qualified opinion paragraph above*, the aforesaid 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, of the state of affairs of the Company as at March 31, 2018 and its profit and its cash flows for the year ended on that date.

### Other Matters

- a) The Financial Statements and other financial information includes the Company's proportionate share in jointly controlled total assets of **Rs 4,40,69,702** as at March 31, 2018, total revenue of **Rs. 1,06,48,587** and total expenditure of **Rs. 1,05,51,533** for the year ended on that date and the elements making up the cash flow statements and related disclosures in respect of unincorporated Joint Ventures which is based on audited financial statements of the respective Joint Ventures audited by us. Our Opinion is not modified in respect of this matter.
- b) The comparative financial information of the Company for the quarter and year ended 31<sup>st</sup> March 2017 and the transition date opening balance sheet as on 1<sup>st</sup> April, 2016 included in the statements, are based on the previously issued statutory financial statements for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March 2017, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), which were audited by the predecessor auditor whose report expressed an modified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not qualified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit except for the matters described in the 'Basis for Qualified Opinion' paragraph above.
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. Except for the matters described in the 'Basis for Qualified Opinion' paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable read with Rule 7 of the Companies (Accounts) Rules, 2015.;
  - e. The matter described in the 'Basis for Qualified Opinion' paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
  - f. On the basis of the written representations received from the directors as on March 31, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - g. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2016, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements as referred to in Note no. 32 to the financial statements.
    - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Banthia Damani & Associates**  
Chartered Accountants  
Firm Registration Number- 126132W

**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**  
Place: Nagpur  
Date : June 01, 2018

## “ANNEXURE A” TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on Ind AS financial statements of Artefact Projects Limited for the year ended March 31, 2018)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls over financial reporting of **ARTEFACT PROJECTS LIMITED (“the Company”)** as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Qualified opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the company's internal financial control over financial reporting as on March 31, 2018 in respect of:

- a) Trade receivables Service Tax and GST, reconciliations of balances outstanding, specifically trade receivables for more than six months, CENVAT receivable/balances with Service Tax and GST authorities are not available, that has effect on disclosure of Financial Statements, which indicates that management is not taking effective steps for the same and consequently it affects the collection from customers which may result into under provision of doubtful debts and amount of CENVAT not receivable continue to be disclosed as an asset and not charged to statement of Profit & Loss.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI except for the material weakness described above and the effects/possible effects thereof.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 financial statements of the Company, and the material weaknesses described above does not affect our qualified opinion on the financial statements of the Company.

For **Banthia Damani & Associates**  
Chartered Accountants  
Firm Registration Number- 126132W

**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**  
Place: Nagpur  
Date : June 01, 2018

## “ANNEXURE B” TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 2 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on Ind AS financial statements of Artefact Projects Limited for the year ended March 31, 2018)**

- 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. According to the information and explanations given to us, the Company has physically verified all the fixed assets and no material discrepancies were noticed on such physical verification as compared with the available records.
  - c. According to the information and explanations given to us, the original title deeds of immovable properties have been pledged as security for loans with a lender, The Company has produced the photocopy of the title deeds of these immovable properties and based on such documents, the title deeds are held in the name of the Company except in case of the Land on which the building has been constructed is jointly owned by the Company, some of the directors and their relatives (Refer Note No. 3.02 to the Financial Statements).
- ii. In respect of its inventories:

The Company does not have any Inventories of Raw Material, Finished Goods and Stores & Spares. The Inventory/ WIP at the year end represents expenditure incurred in respect of the Project Management Consultancy Services executed but remained un-billed as on the reporting date and accordingly the provisions of Clause (ii) of Paragraph 3 of the Order as far as it relates to Physical Verification of Inventories are not applicable to the Company.
- iii. In respect of loans, secured or unsecured, granted by the Company to companies, firms, limited liability Partnerships or other parties covered in the register maintained under section 189 of the Act:
  - a. The Company has given advances in the nature of loan to one company and two joint ventures , which as per the information and explanations given to us is repayable on demand.
  - b. As the loan is repayable on demand, the question of overdue amount does not arise.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, as applicable, in respect of loans granted, investments made and guarantees and securities provided.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.



- vi. According to the information and explanations given to us, the Central Government has not prescribed maintenance of the cost records under sub section (1) of section 148 of the act in respect of business activities carried on by the company. Therefore, the provisions of Clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
- a. Substantial delays have been noticed in depositing undisputed statutory dues in respect of Service Tax, GST, Income Tax and Provident Fund and Employees' State Insurance with the appropriate authorities during the year. According to the information and explanations given to us, undisputed amounts payable in respect of such statutory dues outstanding as at March 31, 2018 for a period of more than six months from the date they became payable are as given below:

Name of the Statute	Nature of the Dues	Period to which it relates	Amount (In Rs.)
Income Tax Act, 1961	Tax Deducted at Source (TDS)	April 17 to August 17	3,289,794
Finance Act, 1994	Service Tax	April 16 to March 17	11,971,741
CGST Act, SGST Act, IGST Act 2017	GST	August 17	3,120,656
Employees State Insurance Act, 1948	ESIC	August 17	112,525
Profession Tax Act, 1975	PT	August 17	98,473
<b>Total</b>			<b>18,593,189</b>

- b. According to information and explanations given to us and the records of the Company examined by us Service Tax of Rs 46.30 Lacs has not been deposited due to dispute. Further according to information and explanations given to us, there are no statutory dues of Income Tax and GST which have not been deposited due to any dispute.
- viii. According to the records of the Company examined by us and on the basis of confirmations and explanations given to us, the term Loan borrowed from Canara Bank is overdue since 31<sup>st</sup> January 2018 by Rs 51,82,619/- as on 31.03.2018. The Company has subsequently during April & May 2018 Paid Rs. 34,52,000/-.
- ix. According to the information and explanations given to us, the Company did not raise any term loans during the year. Accordingly, provisions of paragraph 3 (ix) of the CARO 2016 is not applicable to the Company.
- x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- xi. According to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us, the transactions entered with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, during the year, the company has not raised any money by preferential allotment or private placement of share or debentures. Therefore, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, during the year the company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Banthia Damani & Associates**  
Chartered Accountants  
Firm Registration Number- 126132W

**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**

Place: Nagpur  
Date : June 01, 2018



**ARTEFACT PROJECTS LIMITED  
BALANCE SHEET AS AT MARCH 31<sup>st</sup>, 2018**

Particulars	Note No	As at March 31 <sup>st</sup> , 2018 (Amount in Rs)		As at March 31 <sup>st</sup> , 2017 (Amount in Rs)		As at April 01 <sup>st</sup> , 2016 (Amount in Rs)	
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
(a) Property, Plant and Equipment	3	216,061,632		220,649,239		225,332,323	
(b) Investment Property	4	1,941,739		1,988,082		2,923,065	
(c) Intangible Assets	5	524,583	218,527,954	122,368	222,759,689	479,496	228,734,884
(d) Financial Assets							
(i) Non Current Investments	6		129,000,000		109,000,000		49,000,000
(e) Other Non Current Assets	7		58,957,981		52,853,783		74,729,674
<b>Current Assets</b>							
(a) Inventories / Work in Progress	8		8,258,392		594,402		-
(b) Financial Assets							
(i) Trade Receivables	9	184,808,864		179,821,362		154,295,417	
(ii) Cash & Cash Equivalents	10	14,603,105		11,295,444		9,913,690	
(iii) Bank Balance other than above	11	149,773		217,496		308,336	
(iv) Loans	6 (a)	60,409,661	259,971,403	74,662,239	265,996,541	129,792,380	294,309,823
(c) Other Current Assets	12		24,038,762		58,047,208		34,577,302
<b>TOTAL ASSETS</b>			<b>698,754,492</b>		<b>709,251,623</b>		<b>681,351,683</b>
<b>EQUITY &amp; LIABILITIES</b>							
<b>Equity</b>							
(a) Equity Share Capital	13	55,250,000		55,250,000		55,250,000	
(b) Other Equity	14	268,362,322	323,612,322	299,294,742	354,544,742	297,341,842	352,591,842
<b>NON-CURRENT LIABILITIES</b>							
(a) Financial Liabilities							
(i) Long Term Borrowings	15	68,366,855		74,689,358		85,161,677	
(ii) Deferred Tax Liability (Net)	16	26,510,092		24,195,599		22,289,180	
(b) Long Term Provisions	17	1,376,936	96,253,883	1,108,084	99,993,041	814,797	108,265,654
<b>CURRENT LIABILITIES</b>							
(a) Financial Liabilities							
(i) Short Term Borrowings	18	100,435,740		82,074,292		89,631,857	
(ii) Trade and Other Payables	19	33,848,126		26,627,943		15,247,734	
(iii) Other Financial Liabilities	15 (a)	13,923,050		16,732,764		10,335,637	
(b) Other Current Liabilities	20	128,364,153		128,962,262		105,064,034	
(c) Short Term Provisions	17 (a)	2,317,218	278,888,287	316,579	254,713,840	214,925	220,494,187
<b>TOTAL LIABILITIES</b>			<b>698,754,492</b>		<b>709,251,623</b>		<b>681,351,683</b>
Significant accounting policies	1						
Critical estimates and adjustment	2						

The accompanying notes are an integral part of financial statements

As per our Report of even date  
**For, BANTHIA DAMANI & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 126132W

**SUDESH BANTHIA**  
Partner  
Membership No. 041344  
Nagpur, June 1st, 2018

For and on behalf of Board of Directors

**PANKAJ B SHAH**  
Director  
DIN: 00010504

**SIDDHARTH P SHAH**  
Director  
DIN: 05304116

**SHILPA BHARGAVA**  
Company Secretary  
Membership No. 36207  
Nagpur, June, 1st, 2018

**ARTEFACT PROJECTS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31st, 2018**

Particulars	Note No	Year ended March 31st, 2018 (Amount in Rs)	Year ended March 31st, 2017 (Amount in Rs)
<b>INCOME</b>			
Revenue from Operations	21	215,580,877	230,134,306
Other Income	22	25,413,272	23,171,501
<b>Total Income</b>		<b>240,994,149</b>	<b>253,305,807</b>
<b>EXPENSES</b>			
Project Expenses	23	43,929,509	50,676,006
Retainers and Consultancy Fees	24	90,800,782	85,355,547
Change in Inventories of Work in Progress	25	(8,258,392)	(594,402)
Employee Benefits Expense	26	78,980,266	56,284,150
Finance Cost	27	44,501,858	36,928,369
Depreciation and Amortization Expenses	28	8,161,612	8,044,911
Other Expenses	29	11,465,435	11,404,690
<b>Total Expenses</b>		<b>269,581,070</b>	<b>248,099,271</b>
<b>Profit Before Tax</b>		<b>(28,586,921)</b>	<b>5,206,536</b>
<b>Income Tax Expenses:</b>			
Current Tax		25,983	1,319,978
MAT Credit Entitlement		-	-
Deferred Tax		2,314,493	1,906,419
Income Tax for Earlier Years		107,974	(60,728)
		2,448,450	3,165,669
<b>Profit/(Loss) for the Year</b>		<b>(31,035,371)</b>	<b>2,040,867</b>
<b>Other Comprehensive Income (net of Tax)</b> (item that will not be reclassified to profit & loss )			
Remeasurements of post -employment benefit obligations.	17.01	102,953	(87,967)
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>(30,932,418)</b>	<b>1,952,900</b>
Earnings per equity share of Rs 10 each	31		
- Basic (in Rs.)		(5.60)	0.35
- Diluted (in Rs.)		(5.60)	0.35

The accompanying notes are an integral part of financial statements

As per our Report of even date  
**For, BANTHIA DAMANI & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 126132W

For and on behalf of Board of Directors

**SUDESH BANTHIA**  
Partner  
Membership No. 041344  
**Nagpur, June 1st, 2018**

**PANKAJ B SHAH**  
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DIN: 00010504

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DIN: 05304116

**SHILPA BHARGAVA**  
Company Secretary  
Membership No. 36207  
**Nagpur, June 1st, 2018**



**ARTEFACT PROJECTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

<b>A EQUITY SHARE CAPITAL</b>		
Particulars	Note	Amount
As at 01st April 2016	13	55,250,000
Change in equity share capital		-
As at 31st March, 2017		55,250,000
Change in equity share capital		-
As at 31st March, 2018		55,250,000

<b>B OTHER EQUITY</b>						
Particulars	Note	Capital reserve	Securities Premium	General Reserve	Surplus	Total
As at 1st April 2016	14	11,993,750	131,890,400	11,300,000	142,157,692	297,341,856
Profit for the Year		-	-	-	2,040,867	2,040,867
Other Comprehensive Income		-	-	-	(87,967)	(87,967)
Total comprehensive income for the year		11,993,750	131,890,400	11,300,000	1,952,900	157,137,050
Exercise of share options		-	-	-	-	-
Share-based payments		-	-	-	-	-
Cash dividends		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
As at 31st March, 2017		11,993,750	131,890,400	11,300,000	144,110,592	299,294,742
Profit for the Year		-	-	-	(31,035,371)	(31,035,371)
Other Comprehensive Income		-	-	-	102,950	102,950
Total comprehensive income for the year		-	-	-	(30,932,421)	(31,035,373)
Exercise of share options		-	-	-	-	-
Share-based payments		-	-	-	-	-
Cash dividends		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
As at 31st March, 2018		11,993,750	131,890,400	11,300,000	113,178,172	268,362,322

The above statement of changes and equity should be read in conjunction with the accompanying notes.  
This is the statement of changes in equity referred in our report of even date.

As per our Report of even date

**For, BANTHIA DAMANI & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 126132W

For and on behalf of Board of Directors

**SUDESH BANTHIA**

Partner  
Membership No. 041344  
**Nagpur, June 1st, 2018**

**PANKAJ B SHAH**

Director  
DIN: 00010504

**SIDDHARTH P SHAH**

Director  
DIN: 05304116

**SHILPA BHARGAVA**

Company Secretary  
Membership No. 36207  
**Nagpur, June 1st, 2018**



**ARTEFACT PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2018**

Particulars	Year Ended March 31st, 2018 (Amount in Rs.)	Year Ended March 31st, 2017 (Amount in Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	(28,483,968)	5,118,569
ADJUSTED FOR		
Depreciation and Amortization Expenses	8,161,612	8,044,911
Loss on Sale of Fixed Assets	27,620	-
Finance Costs	44,501,858	36,928,369
Interest Income	(22,321,054)	(18,846,238)
Written off of fixed Assets	-	4,290
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,886,068</b>	<b>31,249,901</b>
ADJUSTMENTS FOR		
(Increase) / Decrease in Trade and Other Receivables	(4,987,502)	(25,525,945)
Increase / ( Decrease) in Trade Payables and Other Liabilities	7,220,183	11,380,209
(Increase) / Decrease in Changes in Inventories	(7,663,990)	(594,402)
Increase / ( Decrease) in Long Term Provisions	268,852	293,287
Increase / ( Decrease) in Other Current Liabilities	(598,108)	23,898,228
Increase / ( Decrease) in Short Term Provisions	2,000,639	101,654
(Increase) / Decrease in Other Non Current Assets	(6,104,198)	21,875,891
(Increase) / Decrease in Bank Balance other than above	67,723	90,840
(Increase) / Decrease in Loans	14,252,578	55,130,141
(Increase) / Decrease in Other Current Assets	34,008,446	(23,469,906)
<b>CASH GENERATED FROM OPERATION</b>	<b>40,350,691</b>	<b>94,429,897</b>
Income Tax Refund/ (Paid)(Net)	(133,960)	(1,259,251)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>40,216,731</b>	<b>93,170,647</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(3,978,497)	(2,074,005)
Sale of Fixed Assets	21,000	-
Purchase of Debentures	(20,000,000)	(60,000,000)
Sale of Share Investments	-	-
Interest received	22,321,054	18,846,238
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES</b>	<b>(1,636,443)</b>	<b>(43,227,767)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Long Term Borrowings	(6,322,503)	(10,472,319)
Other Financial Liabilities	(2,809,714)	6,397,127
Short Term Borrowings (Net)	18,361,448	(7,557,565)
Dividend paid	-	-
Finance Costs	(44,501,858)	(36,928,369)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(35,272,627)</b>	<b>(48,561,126)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,307,661</b>	<b>1,381,754</b>
<b>Cash and Cash Equivalents (Opening Balance)</b>	<b>11,295,444</b>	<b>9,913,690</b>
<b>Cash and Cash Equivalents (Closing Balance)</b>	<b>14,603,105</b>	<b>11,295,444</b>
<b>Components of Cash &amp; Cash equivalents</b>		
<b>Particulars</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Balances with Banks - in Current Accounts	1,148,966	1,017,775
Cash on Hand	944,330	828,333
Fixed Deposit with Banks	12,509,809	9,449,336
<b>Balances as per statement of cash flows</b>	<b>14,603,105</b>	<b>11,295,444</b>

- (i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "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 BANTHIA DAMANI & ASSOCIATES**  
Chartered Accountants  
Firm Reg. No. 126132W

For and on behalf of Board of Directors  
**PANKAJ B SHAH**                      **SIDDHARTH SHAH**  
Director                                      Director  
DIN: 00010504                          DIN: 05304116

**SUDESH BANTHIA**  
Partner  
Membership No.041344  
**Nagpur,**

**SHILPA BHARGAVA**  
Director  
Company Secretary  
Membership No. 36207  
Nagpur,

## ARTEFACT PROJECTS LTD.

### Notes forming part of the financial statements for the year ended March 31, 2018

#### Background

Artefact Projects Limited (hereinafter referred to as the 'Company') is a company limited by shares, incorporated and domiciled in India. The Company's equity shares are listed on the Bombay Stock Exchange in India. The registered office of the Company is situated at Block No.107, 4th Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015, India. The principal place of the business of the Company is situated at Block No.107, 4<sup>th</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015.

The Company is primarily engaged in project consultancy business in India.

#### Note 1 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements of the Company. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 1.01 Basis of preparation

###### *i Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with Indian GAAP, including the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements for the year ended 31st March, 2018 are the first financial statements of the Company under Ind AS. Refer note 38 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

###### *ii Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following: Defined benefit plans - plan assets measured at fair value; and

###### *iii Current and non-current classification*

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### 1.02 Foreign currency translation

###### *i Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR / Rs.), which is the Company's functional and presentation currency.

###### *ii Transaction and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates on the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are

generally recognised in profit or loss or Other Comprehensive Income.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

### **1.03 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and is net of Service tax/ GST.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

#### **Revenue from services**

Project Consultancy Income is recognized in the accounting period in which the services are rendered.

### **1.04 Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **1.05 Impairment of assets**

Property, plant and equipment and other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

### **1.06 Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **1.07 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



## 1.08 Investments and other financial assets

### *Classification*

The Company classifies its financial assets in the following measurement categories: -those to be measured subsequently at fair value (through profit or loss), and -those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss. For investment in debt instrument, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

### *Measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain / (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### *Impairment of financial assets*

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised.

For trade receivables, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables

### *Derecognition of financial assets*

A financial asset is derecognised only when: The Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised

to the extent of continuing involvement in the financial asset.

### **1.09 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

#### *Depreciation methods on above*

Depreciation on property, plant and equipment (other than leasehold land, leasehold improvements, continuous process plant and machinery and vehicles) is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed under Schedule II to the Companies Act, 2013, which approximate the useful lives of the assets estimated by the management.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.

Assets costing less than Rs. 5,000 are depreciated over a period of 12 months, on a straight line basis. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

### **1.10 Intangible assets**

Acquired intangible assets are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

#### *Amortisation methods and periods*

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods: Computer software: 3 years

#### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

### **1.11 Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## 1.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## 1.13 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

## 1.14 Provisions, Contingent Liabilities and Contingent Assets

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Provision for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to anyone item included in the same class of obligations

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A contingent assets is disclosed and not recognised, where an inflow of economic benefits is probable.

## 1.15 Employee benefits

### *Short-term obligation*

Liabilities for salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services upto the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### *Other long-term employee benefits obligations*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### *Post employment obligation*

The Company operates the following post-employment schemes: defined benefit plan, i.e., gratuity, defined contribution plans such as provident fund.

### Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

### Defined contribution plans

The Company pays provident fund and employee state insurance contributions to government administered Employee Provident Fund Organisation and Employee State Insurance Corporation respectively. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 1.16 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 1.17 Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing: the profit attributable to owners of the Company. by the weighted average number of equity shares outstanding during the financial year,

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account : after the income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 1.18 Recent accounting pronouncements Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from April 1, 2017.

#### *Amendment to Ind AS 7:*

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect thereof on its financial statements is being evaluated.

### 1.19 Inventories

Inventories represents the WIP in respect of Project Management Consultancy Services in progress and remained unbilled. Inventories have been valued at cost.

### 1.20 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.

### 1.21 Provision for current and deffered tax

Provision for current and deffered tax is made after taking into consideration benefits admissible under the Provision of Income Tax Act 1961. Deffered 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 deffered tax asset is recognised and carried forward only to the extent that there is reasonable/virtual certainty that asset will be realized against future taxable profits.

## Note 2

### Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are as under:

#### a Estimation of current tax expenses and payable:

Taxes recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.

#### b Estimated fair value of unlisted securities:

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on the market conditions existing at the end of each reporting period.

#### c Useful lives of property, plant and equipment and Intangible assets:

Depreciation and amortization is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

#### d Estimation of defined benefit obligation:

The liabilities of the company arising from employee benefit obligations and the related current service cost, are determined on an actuarial basis using various assumptions

#### e Impairment of financial assets (including trade receivables):

Allowance for doubtful receivables represent the estimate of losses that could arise due to inability of the Customer to make payments when due. These estimates are based on the customer ageing, customer category, specific credit circumstances and the historical experience of the group as well as forward looking estimates at the end of each reporting period.

#### f Estimation of Provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Company. The Company exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from originally estimated provision.

**ARTEFACT PROJECTS LIMITED**  
**Notes to the Financial Statements for the year ended March 31st, 2018**

**Note No 3**  
**Property, Plant and Equipment**

	Land	Building	Plant and Equipments	Furniture and Fixtures	Computers	Vehicles	Joint Venture Share	Total
<b>Deemed Cost as at April 01, 2016</b>	19,663,126	196,182,010	29,437,016	22,838,072	20,684,071	5,198,569	-	294,002,864
Additions	-	-	347,279	45,020	1,681,706	-	-	2,074,005
Disposals/ Adjustments	-	-	-	10,000	-	-	-	10,000
<b>Gross Carrying Cost as at March 31, 2017</b>	19,663,126	196,182,010	29,784,295	22,873,092	22,365,777	5,198,569	-	296,066,869
<b>Accumulated Depreciation as at April 01, 2016</b>	-	17,346,117	12,870,259	14,520,816	20,322,191	2,722,518	-	67,781,901
Depreciation during the year	-	3,101,462	1,676,886	1,796,260	495,032	571,800	-	7,641,440
Disposals/ Adjustments	-	-	-	5,711	-	-	-	5,711
<b>Net Block as at March 31, 2017</b>	<b>19,663,126</b>	<b>175,734,431</b>	<b>15,237,150</b>	<b>6,561,727</b>	<b>1,548,554</b>	1,904,251	-	220,649,239
<b>Gross Carrying Cost as at April 1, 2017</b>	19,663,126	196,182,010	29,784,295	22,873,092	22,365,777	5,198,569	-	296,066,869
Additions	-	-	291,535	607,389	1,249,210	1,152,221	89,765	3,390,120
Disposals/ Adjustments	-	-	-	56,500	-	-	-	56,500
<b>Gross Carrying Cost as at March 31, 2018</b>	19,663,126	196,182,010	30,075,830	23,423,981	23,614,987	6,350,790	89,765	299,400,489
<b>Accumulated Depreciation as at April 1, 2017</b>	-	20,447,579	14,547,145	16,311,365	20,817,223	3,294,318	-	75,417,630
Depreciation during the year	-	3,100,575	1,711,790	1,682,005	733,065	699,628	2,044	7,929,107
Disposals/ Adjustments	-	-	-	7,880	-	-	-	7,880
<b>Accumulated Depreciation as at March 31, 2018</b>	-	23,548,154	16,258,935	17,985,490	21,550,288	3,993,946	2,044	83,338,857
<b>Net Block as at March 31, 2018</b>	<b>19,663,126</b>	<b>172,633,856</b>	<b>13,816,895</b>	<b>5,438,491</b>	<b>2,064,699</b>	<b>2,356,844</b>	<b>87,721</b>	<b>216,061,632</b>

3.01 The Company has taken Indian GAAP carrying values as deemed cost as on 01.04.2016 i.e. date of transition to IND AS

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

**Note No 4**  
**Investment Property**

	Building	Total
<b>Deemed Cost as at April 01, 2016</b>	2,969,408	2,969,408
Additions	-	-
Disposals/ Adjustments	-	-
<b>Gross Carrying Cost as at March 31, 2017</b>	2,969,408	2,969,408
<b>Accumulated Depreciation as at April 01, 2016</b>	934,983	934,983
Depreciation during the year	46,343	46,343
Disposals/ Adjustments	-	-
<b>Net Block as at March 31, 2017</b>	<b>1,988,082</b>	<b>1,988,082</b>
<b>Gross Carrying Cost as at April 1, 2017</b>	2,969,408	2,969,408
Additions	-	-
Disposals/ Adjustments	-	-
<b>Gross Carrying Cost as at March 31, 2018</b>	2,969,408	2,969,408
<b>Accumulated Depreciation as at April 01, 2017</b>	981,326	981,326
Depreciation during the year	46,343	46,343
Disposals/ Adjustments	-	-
<b>Net Block as at March 31, 2018</b>	<b>1,941,739</b>	<b>1,941,739</b>

4.01 The Company has taken Indian GAAP carrying values as deemed cost as on 01.04.2016 i.e. date of transition to IND AS

4.02 Fair Market Value of Property

Particulars	31st, March, 2018	31st, March, 2017
Fair Market Value of Investment Property	9,875,800	8,978,000

**Note No 5**  
**Intangible Assets**

	Computer Softwares	Total
<b>Deemed Cost as at April 01, 2016</b>	6,346,605	6,346,605
Additions	-	-
Disposals/ Adjustments	-	-
<b>Gross Carrying Cost as at March 31, 2017</b>	6,346,605	6,346,605
<b>Accumulated Amortization as at April 01, 2016</b>	5,867,109	5,867,109
Amortization during the year	357,128	357,128
Disposals/ Adjustments	-	-
<b>Net Block as at March 31, 2017</b>	122,368	122,368
<b>Gross Carrying Cost as at April 01, 2017</b>	6,346,605	6,346,605
Additions	588,377	588,377
Disposals/ Adjustments	-	-
<b>Gross Carrying Cost as at March 31, 2018</b>	<b>6,934,982</b>	<b>6,934,982</b>
<b>Accumulated Amortization as at April 01, 2017</b>	6,224,237	6,224,237
Amortization during the year	186,162	186,162
Disposals/ Adjustments	-	-
<b>Net Block as at March 31, 2018</b>	<b>524,583</b>	<b>524,583</b>

5.01 The Company has taken Indian GAAP carrying values as deemed cost as on 01.04.2016 i.e. date of transition to IND AS



**ARTEFACT PROJECTS LIMITED**  
**Notes to the Financial Statements for the year ended March 31st, 2018**

<b>Note No 6</b>							
<b>Financial Assets</b>							
<b>NON-CURRENT INVESTMENTS</b>							
<b>Particulars</b>	<b>No. of Shares/Debentures</b>			<b>Face Value</b>	<b>As at March</b>	<b>As at March</b>	<b>As at April 1st,</b>
	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>01.04.2016</b>		<b>31st, 2018</b>	<b>31st, 2017</b>	<b>2016</b>
<b>Investments at Deemed Cost</b>							
<b>Unquoted Equity Shares of Subsidiary Company (fully paid)</b>							
Artefact Infrastructure Limited	-	-	4,900,000	10	-	-	49,000,000
<b>In Associates</b>							
<b>Unquoted Equity Shares (fully paid)</b>							
Artefact Infrastructure Limited	900,000	900,000	-	10	9,000,000	9,000,000	-
<b>In Others</b>							
<b>Unquoted CCD's (Fully paid)</b>							
Glowide Infrastructure Pvt Ltd	5,500,000	3,500,000	-	10	55,000,000	35,000,000	-
Koradi Minerals Pvt Ltd	6,500,000	6,500,000	-	10	65,000,000	65,000,000	-
<b>Total deemed cost of OCI Investments</b>					<u>129,000,000</u>	<u>109,000,000</u>	<u>49,000,000</u>

6.01 The Company has made investment in companies amounting to ₹ 90 Lacs in equity shares and ₹ 1200 Lacs in CCD which have incurred losses during the year and have negative networth as at year end. The Company considers its investments in such entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investments in such entities and for expected credit losses in respect of investments made in such entities, which are considered good and fully recoverable.

<b>Note No 6 (a)</b>			
<b>FINANCIAL ASSETS (LOANS)</b>			
<b>(Unsecured, considered good unless otherwise stated)</b>			
<b>Particulars</b>	<b>As at March</b>	<b>As at March</b>	<b>As at April 1st,</b>
	<b>31st, 2018</b>	<b>31st, 2017</b>	<b>2016</b>
<b>Advances in the nature of loans</b>			
<b>To Associates</b>			
Artefact Infrastructure Limited	13,614,003	75,228,452	129,792,380
<b>To Others</b>			
Koradi Minerals Private Limited	46,795,658	(566,213)	-
<b>Total</b>	<u>60,409,661</u>	<u>74,662,239</u>	<u>129,792,380</u>

## ARTEFACT PROJECTS LIMITED

### Notes to the Financial Statements for the year ended March 31st, 2018

<b>Note No 7</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
(Unsecured and considered good unless otherwise stated)			
Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Loans and Advances to Related Parties (Refer Note no 35)	4,887,997	5,285,178	5,431,581
Security Deposits	847,522	919,752	939,752
Advance Payment of Income Tax (Net)	46,352,427	39,778,818	61,458,905
MAT Credit Entitlement	6,870,035	6,870,035	6,899,436
<b>Total</b>	<b>58,957,981</b>	<b>52,853,783</b>	<b>74,729,674</b>

<b>Note No 8</b>			
<b>INVENTORIES / WORK IN PROGRESS</b>			
Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Work In Progress (at cost)	8,258,392	594,402	-
<b>Total</b>	<b>8,258,392</b>	<b>594,402</b>	<b>-</b>

<b>Note No 9</b>			
<b>TRADE RECEIVABLES</b>			
(Unsecured, subject to confirmations and considered good unless otherwise stated)			
Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Trade Receivables	127,189,819	119,431,171	83,339,202
Receivables from Joint Ventures	58,119,045	60,890,191	75,978,436
Less: Provision for doubtful debts	(500,000)	(500,000)	(5,022,221)
<b>Total</b>	<b>184,808,864</b>	<b>179,821,362</b>	<b>154,295,417</b>
<b>Break-up of security details</b>	184,808,864	179,821,362	154,295,417
Unsecured, considered good	500,000	500,000	5,022,221
Doubtful	(500,000)	(500,000)	(5,022,221)
Less: Provision for doubtful debts	(500,000)	(500,000)	(5,022,221)
<b>Total</b>	<b>184,808,864</b>	<b>179,821,362</b>	<b>154,295,417</b>

9.01 Receivables includes ₹ 1092.69 Lacs outstanding for more than 6 months from Joint Ventures and from Government departments such as NHAI, MMRDA, PWD etc. and are in relation to the execution of contractual services, deployment of additional personnel, price escalations etc. The services have been provided on express written orders. Receivables are subject to confirmations and reconciliations. The management is of the view that all these amounts are good for recovery and no further provision for doubtful debts is required

9.02 Receivables is net of ₹ 223.01 lacs of earlier years reversed during the year.

<b>Note No 10</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Cash and Cash Equivalents	1,148,966	1,017,775	760,674
Balances with Banks - in Current Accounts	944,330	828,333	669,329
Cash on Hand	2,093,296	1,846,108	1,430,003
Other Bank Balances	12,509,809	9,449,336	8,483,687
Fixed Deposit with Banks *	12,509,809	9,449,336	8,483,687
<b>Total</b>	<b>14,603,105</b>	<b>11,295,444</b>	<b>9,913,690</b>

\* Includes ₹ 12,509,809/- (Previous Year ₹ 9,449,336/-) pledged with bank as margin money for bank guarantee facilities



<b>Note No 11</b>			
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Earmarked Balances - Unpaid Dividend Accounts	149,773	217,496	308,336
<b>Total</b>	<b>149,773</b>	<b>217,496</b>	<b>308,336</b>

<b>Note No 12</b>			
<b>OTHER CURRENT ASSETS</b>			
(Unsecured, considered good unless otherwise stated)			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Deposits	1,396,600	947,780	565,780
Balance with Central Excise / Cenvat	1,218,432	20,846,329	10,356,819
Others*	16,176,461	18,245,065	10,161,112
Loans and Advances	5,247,269	18,008,034	13,493,591
<b>Total</b>	<b>24,038,762</b>	<b>58,047,208</b>	<b>34,577,302</b>
12.01	All the projects undertaken by the Meinhardt Singapore Pte. Ltd - Artefact Projects JV were completed in the year 2011-12, during the previous financial year JV partners decided to dissolve the JV after completion of due statutory compliance if any required. The Board of Directors of the Company has approved the said decision in their meeting dated 09th February, 2016 and accordingly the Company has withdrawn the capital from the JV. The dissolution of JV is pending as on 31st March, 2018		
12.02	The Company has not filed the Service Tax Returns from April 2017 to June 2017. Balance with Central Excise pending for reconciliation.		
12.03	Other Loans and Advances includes ₹ 7,272,300/- recoverable from an individual with whom Company has entered into Financial Sponsorship Agreement for higher education and as per terms, after completing education he was suppose to join the company for rendering Project Management Consultancy Services or repay the full amount if he does not render the services to the company. However from last 3 years he has neither joined the services nor confirmed the company to repay the amount. Management is of the view that amount is good for recovery and hence no provision is required.		

<b>Note No 13</b>			
<b>EQUITY SHARE CAPITAL</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
<b>Authorised</b> 10,000,000 Equity Shares of ₹ 10 each (Previous year 10,000,000)	100,000,000	100,000,000	100,000,000
	<b>100,000,000</b>	<b>100,000,000</b>	<b>100,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b> 5,525,000 Equity Shares of ₹ 10 each (Previous year 5,525,000)	55,250,000	55,250,000	55,250,000
<b>Total</b>	<b>55,250,000</b>	<b>55,250,000</b>	<b>55,250,000</b>

**13.01 Reconciliation of number of shares outstanding :**

<b>Particulars</b>	<b>As at March 31st, 2018</b>		<b>As at March 31st, 2017</b>		<b>As at April 1st, 2016</b>	
	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>	<b>No of Shares</b>	<b>Amount</b>
Shares outstanding as at the beginning of the year	5,525,000	55,250,000	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	5,525,000	55,250,000	5,525,000	55,250,000	5,525,000	55,250,000

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

<b>Name of Share Holder</b>	<b>As at March 31st, 2018</b>		<b>As at March 31st, 2017</b>		<b>As at April 1st, 2016</b>	
	<b>No of Shares</b>	<b>% of Holding</b>	<b>No of Shares</b>	<b>% of Holding</b>	<b>No of Shares</b>	<b>% of Holding</b>
Pankaj Balkrishna Shah	747,550	13.53	747,550	13.53	747,550	13.53
Manoj Balkrishna Shah	700,600	12.68	700,600	12.68	700,600	12.68
Chetan Balkrishna Shah	563,300	10.20	563,300	10.20	563,300	10.20
East & West Securities Pvt Ltd	400,000	7.24	400,000	7.24	400,000	7.24
Rupa Shah	367,350	6.65	367,350	6.65	367,350	6.65

**13.03 Rights to Equity Shareholders**

The Company has only one class of equity shares having face value of ₹ 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 shareholders.

**Note No 14**
**OTHER EQUITY**

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	11,993,750	11,993,750	11,993,750
<b>Securities Premium Account</b>			
Balance as per last Balance Sheet	131,890,400	131,890,400	131,890,400
<b>General Reserve</b>			
Balance as per last Balance Sheet	11,300,000	11,300,000	11,300,000
<b>Surplus</b>			
Balance as per last Balance Sheet	144,110,592	142,157,692	142,061,314
Add: Profit for the Year	(30,932,420)	1,952,900	96,378
	<u>268,362,322</u>	<u>299,294,742</u>	<u>297,341,842</u>

**Note No 15**
**LONG TERM BORROWINGS**

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
<b>Secured Loans</b>			
Term Loan from a Bank	67,682,634	74,350,793	84,452,275
Vehicle Loan from a Bank	684,221	338,565	709,402
	<u>68,366,855</u>	<u>74,689,358</u>	<u>85,161,677</u>

- 15.01 Term loan from a Bank referred to above and ₹ 9,999,996 included in current maturity of long term debts on Note no 15(a) are secured against mortgage of Building and hypothecation of other Fixed Assets, Equipments, Hardwares and Softwares. The term loan is repayable in 120 equal monthly installments of ₹ 833,333 (only principal) starting from 31st July, 2015 and ending on 30th September, 2025 and carries interests @ 11.45% p.a.
- 15.02 The above term loan from a bank is guaranteed by a Director and two of his relatives in their personal capacity
- 15.03 Vehicle loan referred to above and ₹ 517,239 included in current maturity of long term debts in Note no 15(a) are secured against hypothecation of the specific vehicle financed and is repayable in 50 monthly installments of ₹ 20,757 (including interest) starting from 31st March 2018 as per repayment schedule.
- 15.04 Maturity Profile of Term Loan & Vehicle Loan is as under:

Financial Year	Term Loan	Vehicle Loan	Total
2018-2019	9,999,996	517,239	10,517,235
2019-2020	9,999,996	195,438	10,195,434
2020-2021	9,999,996	213,774	10,213,770
2021-2022	9,999,996	233,831	10,233,827
2022-2023	9,999,996	40,927	10,040,923
2023-2024	9,999,996	-	9,999,996
2024-2025	9,999,996	-	9,999,996
2025-2026	7,682,658	-	7,682,658
<b>Total</b>	<b>77,682,630</b>	<b>1,201,209</b>	<b>78,883,839</b>

**Terms of repayment of borrowings**

Particulars	Maturity Date	Terms of Repayment	Interest Rate
<b>Secured Term Loan from Bank</b>	Rupee Loans	30th September 2015	Monthly Installment
			11.45%
<b>Secured Vehicle loans from Bank</b>	Rupee Loans	05th May 2022	Monthly Installment
			10.01%

**Note No 15(a)**
**OTHER FINANCIAL LIABILITIES**

Particulars	As at March 31st, 2018	As at March 31st, 2017	As at April 1st, 2016
Current Maturities of Long Term Debt	10,517,235	10,370,833	10,335,637
Mobilization Advance from Customers	3,405,815	6,361,931	-
<b>Total</b>	<u>13,923,050</u>	<u>16,732,764</u>	<u>10,335,637</u>

<b>Note No 16</b>			
<b>DEFERRED TAX LIABILITY (NET)</b>			
<b>The balance of deferred tax comprises temporary differences attributable to:</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
<b>Deferred Tax Liability</b>			
Property, plant and equipment and intangible assets	27,678,768	25,001,239	24,727,983
<b>Total</b>	<u>27,678,768</u>	<u>25,001,239</u>	<u>24,727,983</u>
<b>Deferred Tax Assets</b>			
Defined Benefit Obligation	1,168,676	805,640	2,438,803
<b>Total</b>	<u>1,168,676</u>	<u>805,640</u>	<u>2,438,803</u>
<b>Deferred Tax Liability (Net)</b>	<u>26,510,092</u>	<u>24,195,599</u>	<u>22,289,180</u>
<b>Net Increase in Deferred Tax Liability</b>	2,314,493	1,933,601	1,421,629
<b>Net Increase in Deferred Tax Liability Debited to Statement of Profit and Loss Account</b>	<u>2,314,493</u>	<u>1,933,601</u>	<u>1,421,629</u>

<b>Taxation</b>			
<b>Income tax liabilities / (Income tax assets)</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Opening Balance	18,869,089	18,869,089	41,799,152
Income Tax Assets	27,483,338	39,778,818	19,659,753
Less: Refund Received	-	39,778,818	42,589,816
Closing Balance	46,352,427	18,869,089	18,869,089

<b>Income Tax Expenses</b>	<b>Year ended</b>	<b>Year ended</b>
<b>Profit and Loss section</b>	<b>31st March, 2018</b>	<b>31st March, 2017</b>
<b>Current income tax charge</b>		
Current income tax		
Current tax on profit for the current year	25,983	1,319,978
Adjustments for current tax of prior periods	107,974	(60,728)
Deferred tax	2,314,493	1,906,419
<b>Income tax expense reported in the consolidated statement of Profit &amp; Loss</b>	<b>2,448,450</b>	<b>3,165,669</b>
Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2018 and 31st March, 2017		
<b>Particulars</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March, 2018</b>	<b>31st March, 2017</b>
Accounting profit/ (loss) before tax	(28,586,921)	5,206,536
Statutory income tax	-	1,608,820
Adjustments in respect of current income tax of previous years	-	(60,728)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income	-	1,960,931
Deferred Tax expenses on previously unrecognized tax losses now recognized	-	(27,182)
Share of JV	25,983	(2,222,591)
<b>Total</b>	<b>25,983</b>	<b>1,319,978</b>

<b>Note No 17</b>			
<b>LONG TERM PROVISIONS</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Provision for Employees Benefits *	1,376,936	1,108,084	814,797
<b>Total</b>	<u>1,376,936</u>	<u>1,108,084</u>	<u>814,797</u>
* As per Actuarial Valuation Certificate			

<b>Note No 17 (a)</b>			
<b>SHORT TERM PROVISIONS</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Provision for Employee Benefits*	2,317,218	316,579	214,925
<b>* As per Actuarial Valuation Certificate</b>	<b>Total</b>	<b>316,579</b>	<b>214,925</b>

17.01 As per IND AS 19 "Employees Benefits" the disclosures of Employee Benefits as defined in the Accounting Standard are given below:

<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Defined Benefit Plan		
Employers contribution to Provident Fund, ESIC and Other Funds	824,312	752,054

The employees Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC). 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 benefits entitlement and measures each unit separately to build up the final obligation.

	<b>Gratuity (Non Funded)</b>	<b>Gratuity (Non Funded)</b>		
Reconciliation of Opening & Closing Balance of Defined Benefit Obligation				
Opening Defined Benefit Obligation	1,424,663	1,029,722		
Transfer in/(out) obligation	-	-		
Current service cost	332,045	233,654		
Interest cost	89,881	73,320		
Components of actuarial gain/losses on obligations:				
Due to change in financial assumptions	(15,354)	78,997		
Due to change in demographic assumptions	-	-		
Due to experience assumptions	(87,599)	8,971		
Past service cost	1,950,518	-		
Loss (gain) on curtailments	-	-		
Liabilities extinguished on settlements	-	-		
Liabilities assumed in an amalgamation in the nature of purchase	-	-		
Exchange differences on foreign plans	-	-		
Benefits paid	-	-		
<b>Closing Defined Benefit Obligation</b>	<b>3,694,154</b>	<b>1,424,663</b>		
	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>		
Expense recognised in Statement of Profit & Loss				
Service cost:				
Current service cost	332,045	233,654		
Past service cost and loss/ (gain) on curtailments and settlements	1,950,518	-		
Net interest cost	89,881	73,320		
Total included in 'Employees Benefit Expense' charged to P & L	2,372,444	306,974		
<b>Actuarial Assumptions</b>	<b>31.03.2018</b>	<b>31.03.2017</b>		
<b>Mortality Table (LIC)</b>	<b>LIC (1994-96)</b>	<b>LIC (1994-96)</b>		
	<b>Published Table</b>	<b>Published Table</b>		
Discount Rate (per annum)	7.10%	6.95%		
Expected Rate of escalation in Salary (per annum)	6.50%	6.50%		
Amounts for the current & previous periods as follows				
<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>	<b>31.03.2016</b>	<b>31.03.2015</b>
Defined Benefit Obligation	3,694,154	1,424,663	1,029,722	768,808
Experience Adj on plan Liab Gain/(Loss)		(44,798)	109,454	(213,715)
<b>Other Comprehensive Income for the current period</b>	<b>31.03.2018</b>	<b>31.03.2017</b>		
Components of actuarial gain/losses on obligations:				
Due to change in financial assumptions	(15,354)	78,997		
Due to change in demographic assumption	-	-		
Due experience adjustments	(87,599)	8,970		
Return on plan assets excluding amounts included in interest income	-	-		
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(102,953)</b>	<b>87,967</b>		



<b>Note No 18</b>			
<b>SHORT TERM BORROWINGS</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>Secured Loan</b>			
Working Capital Loan from a Bank	100,435,740	82,074,292	89,631,857
<b>Total</b>	<u>100,435,740</u>	<u>82,074,292</u>	<u>89,631,857</u>
18.01 Working Capital Loan from a Bank to the extent of: (I) ₹ 100,435,740 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 and also guaranteed by one of the director and two of his relatives in their personal capacity and by a Corporate Guarantee of a Company i.e. Vidharbha Holding Ltd.			

<b>Note No 19</b>			
<b>TRADE AND OTHER PAYABLES</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
<b>TRADE AND OTHER PAYABLES</b>			
Total Outstanding dues of creditors other than Micro and Small Enterprises	33,848,126	26,627,943	15,247,734
<b>Total</b>	<u>33,848,126</u>	<u>26,627,943</u>	<u>15,247,734</u>
Total Outstanding dues from creditors of Micro and Small Enterprises			
The Company has sent letters for getting confirmation from all the creditors regarding their status as Micro Small and Medium Enterprises (MSME), however the Company has received response only from few creditors stating that they do not fall under MSME category. Accordingly Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company.			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at March 31st, 2016</b>
Principal amount remaining unpaid	-	-	-
Interest due there on	-	-	-
Interest paid by the Company in terms of Section 16	-	-	-
Interest due and payable for the period of delay in payment	-	-	-
Interest accrued and remaining unpaid	-	-	-
Interest remaining due and payable even in succeeding years	-	-	-

<b>Note No 20</b>			
<b>OTHER CURRENT LIABILITIES</b>			
<b>Particulars</b>	<b>As at March 31st, 2018</b>	<b>As at March 31st, 2017</b>	<b>As at April 1st, 2016</b>
Unclaimed Dividend *	148,923	217,021	307,861
Statutory Liabilities	75,642,266	80,197,081	68,938,439
Payable to JV	4,298,146	4,897,185	4,841,755
Deposits Received	366,400	531,400	509,674
Others **	47,908,418	43,119,575	30,466,305
<b>Total</b>	<u>128,364,153</u>	<u>128,962,262</u>	<u>105,064,034</u>

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

- 20.01 The Company has not provided for Service Tax demand of ₹ 157.73 Lacs and penalty of ₹ 17.96 Lacs as the matter has been remanded back by Appellate Tribunal to Commissioner Appeals. The Company does not envisage any liability thereon. The Company has however paid ₹ 129.39 Lacs against outstanding demand  
\*\* Mainly includes payable to employees, joint ventures and provision for expenses etc.
- 20.02 Statutory Liabilities includes pending reconciliations of Service Tax and GST collected and paid, the Company has not filed Service Tax returns for April 17 to June 17 and GST Returns from August 2017. The Company has recognised the interest on default in payment and late filing fees of Service Tax and GST in the Financial Statements. Any other impact on the financial statements on account of above which cannot be quantified at this stage and therefore will be recognised upon the completion of reconciliation and filing of returns of Service Tax and GST.
- 20.03 The filing of TDS Returns and payment of TDS of ₹ 133.22 Lacs is pending since April, 2017. The interest and late fees for default in payment of TDS and filing returns has been provided. Any other impact on the financial statements on account of above which cannot be quantified at this stage and therefore will be recognised upon the completion of reconciliation and filing of returns of TDS. Income of refund amounting of ₹ 437.33 Lacs upto 31st March, 2018 and interest thereon shall be accounted for on receipt basis
- 20.04 Unrealised service tax liability of ₹ 120.72 lacs of earlier years reversed during the year.

<b>Note No 21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Income from Project Management and Consultancy Services	215,580,877	230,134,306
<b>Total</b>	<u>215,580,877</u>	<u>230,134,306</u>
<p>Goods and Service Tax (GST) has been effective from July 1st, 2017. Consequently, Excise Duty, Service Tax, VAT etc have been replaced with GST. Until June 30, 2017, 'Project Management Consultancy' included the amount of Service Tax recovered on sales. With effect from July, 1st, 2017, 'Project Management Consultancy' for the year ended March 31st, 2018, are not comparable with those of the previous year. Had the previously reported revenue was shown net of Service Tax, comparative revenue of the Company (Continuing Operations) would have been as follows:</p>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Income from Project Management and Consultancy Services	219,206,311	263,622,950
Less: Service Tax	3,625,434	33,488,644
<b>Total</b>	<u>215,580,877</u>	<u>230,134,306</u>
21.01	Revenue from Operations of ₹ 2155.81 Lacs for the year ended March 31, 2018 is net of Consultancy Receipts of ₹ 223.01 Lacs of earlier years reversed during the year.	
21.02	Revenue from Operations of ₹ 2155.81 Lacs includes ₹ 17.29 Lacs amount which was billed to Branch Offices in other States	

<b>Note No 22</b>		
<b>OTHER INCOME</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Interest Income from financial assets carried at amortized cost:		
- Fixed Deposits	577,362	746,809
- Loan to Related Party (Refer Note no 35)	8,738,038	13,608,397
- Income on Debentures	5,851,057	-
Other Interest Income on:		
- Income Tax Refund	1,134,250	4,491,032
- On Arbitration Award	5,592,159	-
- Income from Mobilization Advance	428,188	-
Rent Income	948,000	1,013,000
Miscellaneous Income	532,163	3,312,263
Bonus payable (earlier years) written back	1,094,617	-
Provision for Doubtful Advances	517,438	-
<b>Total</b>	<u>25,413,272</u>	<u>23,171,501</u>

<b>Note No 23</b>		
<b>PROJECT EXPENSES</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Site & Survey Expenses	8,942,547	15,767,576
Power & Electricity	1,202,021	1,486,501
Rent	5,136,651	3,776,637
Insurance	642,015	671,136
Travelling & Conveyance:		
Site Taxi Hire Charges	14,275,981	13,180,587
Others	8,171,860	9,631,307
Communication Expenses	1,302,150	1,735,643
Computer & Software Expenses	542,706	400,188
Repairs & Maintenance:		
Buildings	1,122,653	1,091,633
Plant and Equipments	744,978	1,043,624
Others	1,845,947	1,891,174
<b>Total</b>	<u>43,929,509</u>	<u>50,676,006</u>

<b>Note No 24</b>		
<b>RETAINERS AND CONSULTANCY FEES</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Retainership Fees	20,324,575	33,144,269
Consultancy Fees	70,476,207	52,211,278
<b>Total</b>	<u>90,800,782</u>	<u>85,355,547</u>
24.01	Consultancy Fees includes ₹ 17.29 Lacs billed by branches to Head Office for consultancy services rendered by Head Office Staff	





Note No 25 CHANGE IN INVENTORIES OF WORK IN PROGRESS		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Closing Inventories Work in Progress	8,258,392	594,402
Opening Inventories Work in Progress	-	-
<b>(Increase) / Decrease in Inventories</b>	<b><u>(8,258,392)</u></b>	<b><u>(594,402)</u></b>

Note No 26 EMPLOYEE BENEFITS EXPENSE		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Salaries, Wages and Allowances	73,894,912	53,585,089
Contribution to PF and other Funds	824,312	752,054
Gratuity Expenses	2,372,444	306,974
Welfare and other Amenities	1,888,598	1,640,033
<b>Total</b>	<b><u>78,980,266</u></b>	<b><u>56,284,150</u></b>

Note No 27 FINANCE COST		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Interest Expenses	42,866,339	34,388,489
Other Borrowing Costs	1,635,519	2,539,880
<b>Total</b>	<b><u>44,501,858</u></b>	<b><u>36,928,369</u></b>

Note No 28 DEPRECIATION AND AMORTIZATION EXPENSE		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Depreciation on property, plant and equipment	7,929,107	7,641,440
Depreciation on investment property	46,343	46,343
Amortization of Intangible Assets (Computer Softwares)	186,162	357,128
<b>Total</b>	<b><u>8,161,612</u></b>	<b><u>8,044,911</u></b>

Note No 29 OTHER EXPENSES		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Rates & Taxes	361,742	61,758
Printing & Stationery	1,439,714	1,622,876
Legal & Filing Fees	1,942,209	188,111
Tender Expenses	294,350	420,142
Electricity Charges	248,026	322,658
Advertisement & Sales Promotion	51,030	787,152
Payment to Auditors	986,000	1,147,000
Donations	40,600	17,701
Accounts Written Back	872,203	-
Loss on Sale / Discarded of Fixed Assets (Net)	27,620	-
Provision for Doubtful Debts	-	-
Bad Debts / Balances Written Off	-	4,540,514
Less: Provision for Doubtful Debts Written Back	-	<u>(4,522,221)</u>
Provision for Doubtful Advances (Consultants DPR)	-	1,038,763
Miscellaneous Expenses	5,201,941	5,780,236
<b>Total</b>	<b><u>11,465,435</u></b>	<b><u>11,404,690</u></b>

29.01 Breakup of Payment to Auditors		
Particulars	Year Ended March 31st, 2018	Year Ended March 31st, 2017
Audit Fees	820,000	650,000
Tax Audit Matters	100,000	181,250
certification & Other Matters	66,000	315,750
<b>Total</b>	<b><u>986,000</u></b>	<b><u>1,147,000</u></b>



<b>Note No 30</b>		
<b>DETAILS OF PRIOR PERIOD EXPENDITURE DEBITED TO STATEMENT OF PROFIT AND LOSS ACCOUNT</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Service Tax Expenses	-	632,852
Professional Fees	1,490,262	17,561
Payment to Auditors	100,000	-
Miscellaneous Expenses	-	128,547
<b>Total</b>	<b><u>1,590,262</u></b>	<b><u>778,960</u></b>

<b>Note No 31</b>		
<b>EARNING PER SHARE</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018</b>	<b>Year Ended March 31st, 2017</b>
Net Profit/(Loss) after tax attributable to equity shareholders	(30,932,418)	1,952,900
Weighted average number of equity shares outstanding (Nos)	5,525,000	5,525,000
Basic & Diluted Earnings per Share of Rs 10/- each	(5.60)	0.35

<b>NOTE 32</b>		
<b>CONTINGENT LIABILITIES (To the extent not provided for)</b>		
<b>Particulars</b>	<b>Year Ended March 31st, 2018 (Amount in Rs.)</b>	<b>Year Ended March 31st, 2017 (Amount in Rs.)</b>
(i) Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation.)	41,007,443	41,007,443
(ii) Third Party Claims (Matters are pending before various forums. The company doesn't expect any material impact on the financial position of the company on account of pending litigation)	692,106	692,106
(iii) Appeal filed in respect of disputed demand of Service Tax	4,630,000	-

**NOTE 33**

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

**NOTE 34**  
**SEGMENT REPORTING**

The Company is predominantly in the business of providing "Project Management Consultancy Services" and, as such there are no separate reportable segments. The company's operations are only in India.

**ARTEFACT PROJECTS LIMITED**  
**Notes to the Financial Statements for the year ended March 31st, 2018**

**NOTE 35**  
**RELATED PARTY DISCLOSURES**

- A. List of Related parties:**  
(As certified by the Management)
- I. Joint Ventures**  
Zaidun Leeng Sdn. Bhd. - Artefact Projects  
Sheladia Associates Inc. - Artefact Projects - Zaidun Leeng Sdn. Bhd.  
Meinhardt Singapore Pte. Ltd. - Artefact Projects (Dissolution pending as on 31.03.2017)
- II. Key Management Personnel (KMP) and their Relatives**  
Mr. Pankaj Shah  
Mr. Siddharth Shah  
Mrs Ankita Shah  
Mr. Manoj Shah - (Relative of Director)  
Mr. Chetan Shah - (Relative of Director)  
Mr. Sanjay Khare - Chief Financial Officer  
Miss Shilpa Bhargava - Company Secretary
- III. 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)**  
a) Artefact Towers Association  
b) Renaissance IOT LLP  
c) Artefact Infrastructure Ltd.

**ARTEFACT PROJECTS LIMITED**
**Notes to the Financial Statements for the year ended March 31st, 2018**
**B. Transactions during the year with Related Parties :**

(Amount In Rs.)

Nature of transaction	Subsidiary Company	Joint Ventures	Key Management Personnel & their Relatives	Other Related Parties	Total
<b>Non Current Investments</b>					
Closing Balance as on 31st March, 2018	-	-	-	9,000,000	9,000,000
	( - )	( - )	( - )	(9,000,000)	(9,000,000)
<b>Revenue from Operations</b>					
Income from Project Management and Consultancy Services	-	-	-	-	-
	( - )	(1,987,281)	( - )	( - )	(1,987,281)
<b>Other Income</b>					
Interest on Loans	-	-	-	6,162,992	6,162,992
	(9,867,040)	( - )	( - )	(3,741,357)	(13,608,397)
<b>Security Deposits</b>					
Balance as on 31st March 2018	-	-	-	102,000	102,000
	( - )	( - )	( - )	(102,000)	(102,000)
<b>Long Term Loans and Advances</b>					
Balance as on 31st March 2018	-	657,104	-	-	657,104
	( - )	(1,081,374)	( - )	( - )	(1,081,374)
<b>Short Term Loans &amp; Advances</b>					
Opening balance	-	18,961,906	-	75,228,451	94,190,357
	(136,653,070)	(13,485,787)	( - )	( - )	(150,138,857)
Given during the year	-	225,377,810	-	6,000	225,383,810
	(71,816,888)	(123,712,199)	( - )	( - )	(195,529,087)
Received during the year	-	230,563,407	-	61,620,449	292,183,856
	(53,011,507)	(118,236,080)	( - )	(80,230,000)	(251,477,587)
Balance as on 31st March 2018	-	13,776,309	-	13,614,002	27,390,311
	( - )	(18,961,906)	( - )	(75,228,451)	(94,190,357)
<b>Trade Receivables</b>					
Balance as on 31st March 2018	-	59,691,235	-	-	59,691,235
	( - )	(60,890,191)	( - )	( - )	(60,890,191)
<b>Employee Benefits Expenses</b>					
Payment of Salaries & Allowance ( Refer Note (i) below Note No.35 ( C ) )	-	-	3,901,698	-	3,901,698
	( - )	( - )	(3,034,938)	( - )	(3,034,938)
<b>Sale of Shares of Erstwhile Wholly Owned Subsidiary</b>					
	-	-	-	-	-
	( - )	( - )	(23,000,000)	( - )	(23,000,000)
<b>Other current liabilities</b>					
	-	4,346,757	-	-	4,346,757
	( - )	(4,734,124)	( - )	( - )	(4,734,124)
<b>Repair and Maintenance</b>					
	-	-	-	2,911,827	2,911,827
	( - )	( - )	( - )	(1,758,258)	(1,758,258)
<b>Indirect Expenses</b>					
Professional Consultancy Fees	-	-	5,100,000	-	5,100,000
	( - )	( - )	(5,350,750)	( - )	(5,350,750)

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



**ARTEFACT PROJECTS LIMITED**  
**Notes to the Financial Statements for the year ended March 31st, 2018**

<b>C. Details of major transactions during the year with Related Parties :</b>			
Particulars	Name of Parties	Year Ended 31.03.2018 (Amount In Rs.)	Year Ended 31.03.2017 (Amount In Rs.)
<b>Non Current Investments as on 31st March 2018</b> - in Equity Shares	Artefact Infrastructure Ltd	<b>9,000,000</b>	9,000,000
<b>Security Deposit</b> - Balance as on 31st March 2018	Artefact Tower Association	<b>102,000</b>	102,000
<b>Long Term Loans and Advances</b> - Balance as on 31st March 2018	Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd. Meinhardt Singapore Pte. Ltd. - Artefact Projects	<b>657,104</b> -	1,081,374 -
<b>Short Term Loans &amp; Advances</b> <b>Opening Balance as on 1st April 2017</b>	Zaidun Leeng Sdn. Bhd.- Artefact Projects Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd. Artefact Infrastructure Ltd	<b>14,283,606</b> <b>4,678,300</b> <b>75,228,451</b>	8,807,795 4,677,992 136,653,070
Given during the year	Zaidun Leeng Sdn. Bhd.- Artefact Projects Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd. Artefact Infrastructure Ltd	<b>225,372,810</b> <b>5,000</b> <b>6,000</b>	123,711,891 308 71,816,888
Received during the year	Zaidun Leeng Sdn. Bhd.- Artefact Projects Artefact Infrastructure Ltd	<b>230,563,407</b> <b>61,620,449</b>	118,236,080 133,241,507
Balance as on March 31st, 2018	Zaidun Leeng Sdn. Bhd.- Artefact Projects Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd. Artefact Infrastructure Ltd	<b>9,093,008</b> <b>4,683,300</b> <b>13,614,002</b>	14,283,606 4,678,300 75,228,451
<b>Trade Receivables</b> - Balance as on March 31, 2018	Zaidun Leeng Sdn. Bhd.- Artefacts Projects Sheladia Associates Inc.-Artefact Projects-Zaidun Leeng Sdn. Bhd.	<b>58,119,045</b> <b>1,572,190</b>	60,890,191 1,572,190
<b>Other current liabilities</b>	Meinhardt Singapore Pte. Ltd. - Artefact Projects Zaidun Leeng Sdn. Bhd.- Artefact Projects	<b>49,087</b> <b>4,297,669</b>	39,272 4,694,851
<b>Revenue from Operations</b> - Income from Project Management and Consultancy Services	Zaidun Leeng Sdn. Bhd.- Artefacts Projects JV Artefact Infrastructure Ltd	- -	1,987,281 -
<b>Interest Income</b> Interest on Loans	Artefact Infrastructure Ltd	<b>6,162,992</b>	13,608,397

**ARTEFACT PROJECTS LIMITED**  
Notes to the Financial Statements for the year ended March 31st, 2018

Particulars	Name of Parties	Year Ended 31.03.2018 (Amount In Rs.)	Year Ended 31.03.2017 (Amount In Rs.)
<b>Employee Benefits Expenses</b>			
- Payment of Salaries & Allowance ( Refer Note (i) below Note No.31 ( C ) )	Mr. Manoj B. Shah Mr. Pankaj B. Shah Mr. Siddharth P Shah Miss Ankita Shah Mr Sanjay Khare Miss Shilpa Bhargava	- - <b>1,200,000</b> <b>1,200,000</b> <b>1,196,693</b> <b>305,005</b>	- - 1,200,000 600,000 951,719 283,219
<b>Sale of Shares of Erstwhile Wholly Owned Subsidiary</b>	Mr. Manoj B. Shah Mr. Chetan B. Shah Mrs Madhavi M Shah Mr Anshul M Shah	- - - -	6,000,000 6,000,000 8,000,000 3,000,000
<b>Repair and Maintenance</b>	Artefact Towers Association	<b>2,911,827</b>	1,758,258
<b>Indirect Expenses</b>			
Professional Consultancy Fees	Mr. Chetan B. Shah Mr. Manoj B. Shah	<b>2,400,000</b> <b>2,700,000</b>	2,518,000 2,832,750

Note (i) Salaries and allowances to key managerial personal do not include contribution to the gratuity fund for them since the provision for gratuity has been made to comply as a whole and separate figures for them are not available.

**NOTE 36**

**JOINT VENTURE ACCOUNTING:**

Jointly Controlled Operations

(i) The Company has entered in to Joint Ventures (JVs) in respect of certain projects with various body 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 ₹ 31st March, 2018 is ₹ 44,069,702 (Previous year ₹ 51,951,718) and ₹ 39,581,682 (Previous Year ₹ 44,272,051) respectively and in the income, expenditure and net profit / ( Loss) before tax for the year ended 31st March, 2018 of the above Joint Ventures amounts to ₹ 10,648,587 (Previous Year ₹ 14,022,228), ₹ 10,551,533 (Previous Year ₹. 13,839,193) and ₹ 97,054 (Previous Year ₹ 183,035) respectively. The figures have been incorporated based on the audited financial statements received from the jointly controlled operations.

**NOTE 37**

In accordance with Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of advance given is as under:

- To Artefact Infrastructure Limited (AIL), closing balance as on 31st March, 2018 is ₹ 13,616,842 (Previous year ₹ 90,891,699 ). Maximum balance outstanding during the year was ₹ 90,891,699 (Previous year ₹ 169,404,651).
- As per the Company's policy loans to employees are not considered in 'a' above.

## Artefact Projects Limited

Notes forming part of the financial statements for the year ended March 31, 2018

### Note 38: First-time adoption of Ind AS

#### Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet as at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### A.1 Ind AS optional exemptions

##### A.1.2 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

##### A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

##### A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has applied the above requirement on transition date.

#### B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity as at date of transition (April 1, 2016)**

	Note No.	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	A.1.1	228,255,388	-	228,255,388
Capital work-in-progress		-	-	-
Intangible assets	A.1.1	479,496	-	479,496
Intangible assets under development		-	-	-
<b>Financial assets</b>				
i. Investments	A.1.2	49,000,000	-	49,000,000
ii. Loans		-	-	-
iii. Other financial assets		-	-	-
Deferred tax assets (net)		-	-	-
Other non-current assets		74,729,674	-	74,729,674
<b>Total non-current assets</b>		<b>352,464,558</b>	-	<b>352,464,558</b>
<b>Current assets</b>				
<b>Financial assets</b>				
i. Trade receivables		154,295,417	-	154,295,417
ii. Cash and cash equivalents	10	10,222,025	308,335	9,913,690
iii. Bank balances other than (ii) above		-	(308,335)	308,335
iv. Loans	6(a)	164,369,683	34,577,303	129,792,380
v. Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	12	-	(34,577,303)	34,577,303
<b>Total current assets</b>		<b>328,887,125</b>	-	<b>328,887,125</b>
<b>Total assets</b>		<b>681,351,683</b>	-	<b>681,351,683</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		55,250,000	-	55,250,000
<b>Other equity</b>				
Reserves and surplus		297,341,842	-	297,341,842
<b>Total equity</b>		<b>352,591,842</b>	-	<b>352,591,842</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
i. Other financial liabilities		107,450,857	-	107,450,857
Provisions		-	-	-
Employee benefit obligations		-	-	-
Other non-current liabilities		814,797	-	814,797
<b>Total non-current liabilities</b>		<b>108,265,654</b>	-	<b>108,265,654</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
i. Borrowings		89,631,857	-	89,631,857
ii. Trade payables		15,247,734	-	15,247,734
iii. Other financial liabilities	20	-	(10,335,637)	10,335,637
Provisions		214,925	-	214,925
Employee benefit obligations		-	-	-
Other current liabilities	21	115,399,671	10,335,637	105,064,034
<b>Total current liabilities</b>		<b>220,494,187</b>	-	<b>220,494,187</b>
<b>Total liabilities</b>		<b>328,759,841</b>	-	<b>328,759,841</b>
<b>Total equity and liabilities</b>		<b>681,351,683</b>	-	<b>681,351,683</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

**Reconciliation of equity as at March 31, 2017**

	Note No.	Previous GAAP *	Adjustments	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		222,637,321	-	222,637,321
Capital work-in-progress		-	-	-
Intangible assets		122,368	-	122,368
Intangible assets under development		-	-	-
<b>Financial assets</b>				
		-	-	-



i. Investments		109,000,000	-	109,000,000
ii. Loans		-	-	-
iii. Other financial assets		-	-	-
Deferred tax assets (net)		-	-	-
Other non-current assets		52,853,782	-	52,853,782
<b>Total non-current assets</b>		<b>384,613,471</b>	<b>-</b>	<b>384,613,471</b>
<b>Current assets</b>				
Financial assets				
i. Trade receivables		179,821,362	-	179,821,362
ii. Cash and cash equivalents	9	11,512,941	217,496	11,295,445
iii. Bank balances other than (ii) above	10	-	(217,496)	217,496
iv. Loans	15	132,709,447	58,047,208	74,662,239
v. Other financial assets		-	-	-
Current tax assets (net)		-	-	-
Other current assets	6 and 7	594,402	(58,047,208)	58,641,610
<b>Total current assets</b>		<b>324,638,152</b>	<b>-</b>	<b>324,638,152</b>
<b>Total assets</b>		<b>709,251,623</b>	<b>-</b>	<b>709,251,623</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		55,250,000	-	55,250,000
<b>Other equity</b>		<b>-</b>	<b>-</b>	<b>-</b>
Reserves and surplus		299,267,560	-	299,267,560
Other reserves		-	-	-
<b>Total equity</b>		<b>354,517,560</b>	<b>-</b>	<b>354,517,560</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
i. Other financial liabilities		98,912,139	-	98,912,139
Provisions		1,108,084	-	1,108,084
Employee benefit obligations		-	-	-
Other non-current liabilities		-	-	-
<b>Total non-current liabilities</b>		<b>100,020,223</b>	<b>-</b>	<b>100,020,223</b>
<b>Current liabilities</b>				
Financial liabilities				
i. Borrowings		82,074,292	-	82,074,292
ii. Trade payables		26,627,943	-	26,627,943
ii. Other financial liabilities	20	-	(16,732,764)	16,732,764
Provisions		316,579	-	316,579
Employee benefit obligations		-	-	-
Other current liabilities	20 & 21	145,695,026	16,732,764	128,962,262
<b>Total current liabilities</b>		<b>254,713,840</b>	<b>-</b>	<b>254,713,840</b>
<b>Total liabilities</b>		<b>354,734,063</b>	<b>-</b>	<b>354,734,063</b>
<b>Total equity and liabilities</b>		<b>709,251,623</b>	<b>-</b>	<b>709,251,623</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

#### Reconciliation of total comprehensive income for the year ended March 31, 2017

	Note No.	Previous GAAP *	Adjustments	Ind AS
Revenue from operations		230,134,306	-	230,134,306
Other income		23,171,501	-	23,171,501
Other gains / (losses) - net		-	-	-
<b>Total Income</b>		<b>253,305,807</b>	<b>-</b>	<b>253,305,807</b>
<b>Expenses</b>				
Project Expenses		50,676,006	-	50,676,006
Retainers and Consultancy Fees		85,355,547	-	85,355,547
Change in Inventories of Work in Progress		(594,402)	-	(594,402)
Employee Benefits Expense	26	56,372,117	87,967	56,284,150
Finance Cost		36,928,369	-	36,928,369
Depreciation		8,044,911	-	8,044,911
Other Expenses		11,404,690	-	11,404,690
<b>Total expenses</b>		<b>248,187,238</b>	<b>87,967</b>	<b>248,099,271</b>
<b>Profit before exceptional items and tax</b>		<b>5,118,569</b>	<b>(87,967)</b>	<b>5,206,536</b>
Exceptional items		-	-	-
<b>Profit before tax</b>		<b>5,118,569</b>	<b>(87,967)</b>	<b>5,206,536</b>
<b>Profit from continuing operation after tax</b>		<b>5,118,569</b>	<b>(87,967)</b>	<b>5,206,536</b>

Income tax expense				
- Current tax		1,259,250	-	1,259,250
- Deferred tax		1,933,601	27,182	1,906,419
<b>Total tax expense</b>		<b>3,192,851</b>	<b>27,182</b>	<b>3,165,669</b>
Profit from continuing operations after tax		1,925,718	(115,149)	2,040,867
(Loss) from discontinuing operations after tax	17.01	-	87,967	(87,967)
<b>Profit for the year</b>		<b>1,925,718</b>	<b>(27,182)</b>	<b>1,952,900</b>
<b>Other comprehensive income / (expense)</b>		-	-	-
<b>Total comprehensive income for the year</b>		<b>1,925,718</b>	<b>(27,182)</b>	<b>1,952,900</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	March 31, 2017	April 1, 2016
Total equity (shareholders funds) as per previous GAAP	354,517,560	352,591,842
<b>Adjustments:</b>		
<b>Total adjustments</b>	<b>(27,182)</b>	<b>-</b>
<b>Total equity as per Ind AS</b>	<b>354,544,742</b>	<b>352,591,842</b>

### Reconciliation of total comprehensive income for the year ended March 31, 2017

	March 31, 2017
Profit after tax as per previous GAAP	1,925,719
<b>Adjustments:</b>	
<b>Total adjustments</b>	<b>(27,181)</b>
<b>Net profit as per Ind AS</b>	<b>1,952,900</b>
<b>Other comprehensive income / (expense)</b>	<b>-</b>
<b>Total comprehensive income as per Ind AS</b>	<b>1,952,900</b>

### Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017

	Previous GAAP *	Adjustments	Ind AS
Net cash flow from operating activities	94,568,779	1,398,132	93,170,647
Net cash flow from investing activities	(47,145,823)	(3,918,056)	(43,227,767)
Net cash flow from financing activities	(47,006,851)	1,554,275	(48,561,126)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>416,105</b>	<b>(965,649)</b>	<b>1,381,754</b>
Cash and cash equivalents as at April 1, 2016	1,430,003	(8,483,687)	9,913,690
<b>Cash and cash equivalents as at March 31, 2017</b>	<b>1,846,108</b>	<b>(9,449,336)</b>	<b>11,295,444</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

### Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS:

	March 31, 2017	April 1, 2016
Cash and cash equivalents as per previous GAAP	1,846,108	1,430,003
<b>Cash credit</b>		
Book overdraft		
Reclassification to other bank balances	9,449,336	8,483,687
Cash and cash equivalents for the purpose of statement of cash flows	11,295,444	9,913,690



**NOTE 39**

The Company has not entered into any derivative contracts and accordingly there are no outstanding derivative contracts as on 31st March, 2018. The Company does not have any foreign currency exposure as on 31st March, 2018

**NOTE 40**

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

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As per our Report of even date

**For BANTHIA DAMANI & ASSOCIATES**

Chartered Accountants  
Firm Reg. No. 126132W

**SUDESH BANTHIA**

**Partner**

Membership No.041344  
Nagpur, June 1st, 2018

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

**PANKAJ B SHAH**

Director  
DIN: 00010504

**SIDDHARTH SHAH**

Director  
DIN: 05304116

**SHILPA BHARGAVA**

Company Secretary  
Membership No. 36207  
Nagpur, June 1st, 2018



ANNEXURE V

**Form AOC - 1**  
**Statement containing salient features of the Financial Statement of Subsidiary companies/ Associate Companies/ Joint Ventures Pursuant to provisions of Section 129(3) of the Companies Act, 2013 Read with Rule 5 of Companies (Account) Rules, 2014**

<b>PART "B" : Joint Ventures</b>		<b>(Amount in ₹)</b>		
<b>Sr. No.</b>	<b>Particulars</b>	<b>Zaidun Leeng Sdn Bhd - Artefact Projects Ltd. (JV)</b>	<b>Meinhardt Singapore Pte Ltd - Artefact Projects Ltd. (JV)</b>	<b>Sheladia Associates Inc - Zaidun Leeng Sdn Bhd - Artefact Projects Ltd (JV)</b>
1	<b>Latest Audited Balance Sheet date</b>	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2018
2	<b>Shares of Associate held by the Group on the year end</b>	N. A	N. A	N. A
3	<b>Nos.</b>	N. A	N. A	N. A
4	<b>Amount of Investment in Associates</b>	N. A	N. A	N. A
5	<b>Extend of Holding %</b>	60%	95%	65%
6	<b>Description of how there is significance influence</b>	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power	Ownership of 20% or more of the voting power
7	<b>Reason why the associate is not consolidated</b>	N. A	N. A	N. A
8	<b>Networth attributable to Shareholding as per latest audited Balance sheet</b>	(7,849,321)	16,824	1,172,642
9	<b>Profit / Loss for the year</b>	244,005	(20,474)	(10,248)
	<b>i) Considered in the Consolidation</b>	146,403	(19,450)	(6,661)
	<b>ii) Not considered in the consolidation</b>	97,602	(1,024)	(3,587)

The above statement also includes performance and financial position of each of the Associates and Joint Ventures.

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

**SIDDHARTH P. SHAH**  
Director  
DIN: 05304116

**PANKAJ B. SHAH**  
Director  
DIN: 00010504

**SHILPA BHARGAVA**  
Company Secretary  
Membership No. 36207



**ARTEFACT PROJECTS LIMITED**

(CIN: L65910MH1987PLC044887)

Regd. office: Block No. 107, 4<sup>th</sup> Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440015

Phone No.: +91-712-3025120; Fax No. +91-712-3025128; Website: [www.artefactprojects.com](http://www.artefactprojects.com)

Email: [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com), [artefactnagpur@gmail.com](mailto:artefactnagpur@gmail.com)

**ATTENDANCE SLIP**

**30<sup>TH</sup> ANNUAL GENERAL MEETING ON SATURDAY, 29<sup>TH</sup> SEPTEMBER, 2018**

<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 30<sup>th</sup> Annual General Meeting of the Members of the Company held at Block No. 107, 4<sup>th</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 on Saturday, 29<sup>th</sup> September, 2018 at 11.00 a.m.

.....  
 Member's/Proxy's/ Authorised  
 Representative's name (in Block Letters)

.....  
 Member's/Proxy's/ Authorised  
 Representative'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 the Notice. The Voting period starts from Wednesday, 26<sup>th</sup> September, 2018 (9.00 a.m.) and ends on Friday, 28<sup>th</sup> September, 2018 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.

**Note: PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.**







**ARTEFACT PROJECTS LIMITED**

(CIN: L65910MH1987PLC044887)

Regd. office: Block No. 107, 4<sup>th</sup> Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440015

Phone No.: +91-712-3025120; Fax No. +91-712-3025128; Website: [www.artefactprojects.com](http://www.artefactprojects.com)

Email: [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com), [artefactnagpur@gmail.com](mailto:artefactnagpur@gmail.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]**

**30<sup>TH</sup> ANNUAL GENERAL MEETING ON SATURDAY, 29<sup>TH</sup> SEPTEMBER, 2018**

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/her;

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

Address \_\_\_\_\_

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

(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 30<sup>th</sup> Annual General Meeting of the Company to be held on Saturday, 29<sup>th</sup> September, 2018 at 11.00 a.m. at **Block No. 107, 4<sup>th</sup> Floor, "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 of the Company for the year ended 31 <sup>st</sup> March, 2018 along with Reports of the Board of Directors' and Auditors' thereon.			
2	Ordinary Resolution for appointment of a director in place of Mr. Siddharth Shah (DIN: 05304116) Executive Director, who retires by rotation and being eligible, offers himself for re-appointment.			
3	Ordinary Resolution for ratification of appointment of M/s. Banthia Damani & Associates, Chartered Accountants, Nagpur (having FRN: 126132W) as Statutory Auditor of the Company.			
	<b>Special Business:</b>			
4	Special Resolution for appointment of Mr. Sudhir Gupta (DIN: 07780511) as an Independent Director of the Company.			
5	Special Resolution for re-appointment of Mr. Sandeep Batta (DIN: 02220509) as an Independent Director of the Company.			
6	Special Resolution for approval under section 180(1)(a).			
Signed this _____ day of _____, 2018				
Signature of shareholder _____				
Signature of Proxy holder(s) _____				
				<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;">                     Affix Revenue Stamp ₹ 0.15                 </div>

**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**  
 (CIN: L65910MH1987PLC044887)

Regd. office: Block No. 107, 4<sup>th</sup> Floor, '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: [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com), [artefactnagpur@gmail.com](mailto:artefactnagpur@gmail.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>Registered Folio No. / DPID &amp; Client ID</b>	
<b>Name of the Member</b>	
<b>Father's / Mother's / Spouse's Name</b>	
<b>Address (Registered Office Address in case the Member is a Body Corporate)</b>	
<b>E-mail Id</b>	
<b>PAN or CIN (In case of Body Corporate)</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 Agents of the Company viz. "LINK INTIME INDIA PRIVATE LIMITED, C-101, 1<sup>ST</sup> FLOOR, 247 PARK, LAL BAHADUR SHASTRI MARG, VIKHROLI (WEST) MUMBAI 400 083"**

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.

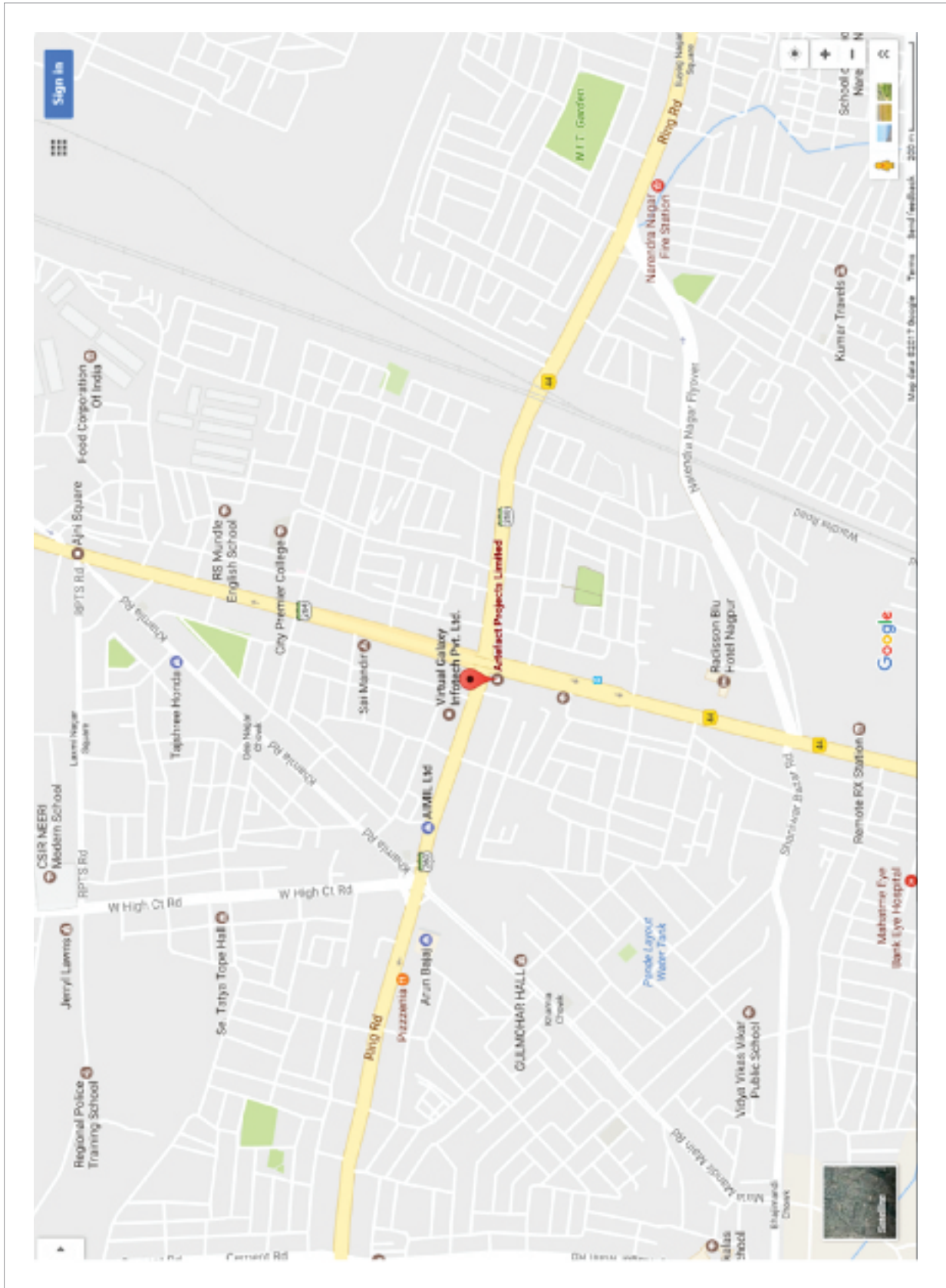
Thanking You,

**For Artefact Projects Limited**

**Siddharth Shah**  
**Executive Director**  
 (DIN: 05304116)



# Route Map



**YEARS OF**

**SERVICE & COMMITMENT**



**Artefact Projects Ltd.**

Excellence in Infrastructure Services

**Registered Office :** Block No. 107, 4th Floor, Artefact Towers, 54/3, Chhatrapati Square,  
Wardha Road, Nagpur - 440015, Maharashtra, India.