



ARTEFACT PROJECTS LTD.

Project Management Consultants, Consulting Engineers & Planners

Registered & Corporate Office :

Block No. 106, 3rd Floor, "Artefact Towers", 54/3, Chhatrapati Square,
Wardha Road, Nagpur-440015, Maharashtra, India

Phone : +91 - 712 - 7197100, Fax No : +91 - 712 - 7197120

E-mail : artefactngp@artefactprojects.com, Website : www.artefactprojects.com

CIN : L65910MH1987PLC044887

Ref : APL/2018-19/6001/ 60

4th September, 2019

To,
The Manager - DCS
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001

Dear Sir,

Scrip Code - 531297

Sub: Intimation of Annual General Meeting of the Company and Book Closure

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') please find enclosed herewith Notice convening 31st Annual General Meeting (AGM) of the Company and Annual Report of the Company for the Financial year 2018-19, which is being dispatched to the members of the Company by permitted mode(s).

The AGM will be held on Monday, 30th September, 2019 at 11.00 a.m. at Block No. 106, 3rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440 015.

Further, pursuant to the provisions of Section 91 of Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive) for the purpose of AGM. Intimation of book closure in prescribed format is also enclosed herewith.

Kindly take the above on your record.

Thanking you,

Yours faithfully,
For Artefact Projects Limited

Snehal Jaiswal
Company Secretary & Compliance Officer
M. No. ACS: 26960



Attn. Market Operations Department

Name of the Company: Artefact Projects Limited

Security Code	Type of Security	Book Closure		Record date	Purpose
		From	To		
531297	Equity	Tuesday, 24 th September, 2019	Monday 30 th September, 2019	N.A.	31 st Annual General Meeting

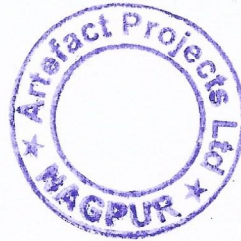
For Artefact Projects Limited



Snehal Jaiswal

Company Secretary & Compliance Officer

M. No. ACS: 26960





Artefact Projects Ltd.

Excellence in Infrastructure Services

ANNUAL REPORT 2018-19



**YEARS OF
SERVICE &
COMMITMENT**



31st ANNUAL REPORT 2018-19

Board of Directors

Mr. Pankaj B. Shah (Resigned w.e.f. 4th May, 2019)

Mr. Siddharth P. Shah

Mrs. Ankita S. Shah (Upto 30th June, 2019)

(w.e.f.1st July,2019)

Mr. Sandeep M. Batta

Mr. Sudhir P. Gupta (Resigned w.e.f. 19th June, 2019)

Mrs. Meena Gupta (Appointed w.e.f. 24th July, 2019)

Non- Executive Director

Executive Director

Executive Director

Non-Executive Director

Independent Director

Independent Director

Independent Director

Company Secretary & Compliance Officer

Ms. Shilpa A. Bhargava (Resigned w.e.f. closing hours of 30th May, 2019)

Mrs. Snehal A. Jaiswal (Appointed w.e.f. 31st May, 2019)

Chief Financial Officer

Mr. Ashok Karwa (Appointed w.e.f. 14th August, 2018)

Statutory Auditors

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

Internal Auditors

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

Registered Office

Block No. 106, 3rd Floor, "Artefact Towers",

54/3, Chhatrapati Square, Wardha Road,

Nagpur - 440 015, Maharashtra, India

Tel: +91712-7197100

Fax: +91712-7197120

Email : artefactnagpur@gmail.com

shareholders@artefactprojects.com

www.artefactprojects.com

Registrar & Share Transfer Agents

Link Intime (India) Private Limited

C-101, 1st Floor, 247 Park, LBS Road,

Vikhroli (West) Mumbai – 400 083

Ph: +9122 49186000

Secretarial Auditor

Mr. Jigar Gorsia

Practising Company Secretary

Nagpur

Bankers

Canara Bank



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5 YEAR'S PERFORMANCE AT A GLANCE

(₹ In Lacs)

FINANCIAL YEAR	2014-15*	2015-16*	2016-17**#	2017-18**#	2018-19*
REVENUES :					
Net Receipts from operations	1,986.71	1,598.42	2,301.34	2,155.81	2,255.56
Other Income	115.67	134.80	231.72	254.13	132.59
Total Income	2,102.38	1733.22	2,533.06	2,409.94	2,388.15
EXPENDITURE:					
Operating and Administrative Expenses	1,568.92	1,283.09	2,031.27	2,169.18	1859.19
Operating Profit	533.46	450.13	501.79	240.76	528.96
Finance Cost	307.94	323.55	369.27	445.02	363.64
PBDT	225.52	126.58	132.52	(204.26)	165.32
Depreciation	84.89	80.56	80.45	81.62	84.33
PBT	140.62	46.02	52.07	(285.88)	80.99
Tax	50.48	45.05	31.66	24.48	(51.27)
PAT	90.14	0.97	20.42	(310.36)	132.26
Other Comprehensive Income (Net of Tax)	-	-	(0.88)	1.03	0.67
Total Comprehensive Income for the period	-	-	19.54	(309.33)	131.59
Dividend per share proposed (Rs.)	NIL	NIL	NIL	NIL	NIL

*Standalone figures.

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

BALANCE SHEET

(₹ In Lacs)

FINANCIAL YEAR	2014-15*	2015-16*	2016-17**#	2017-18**#	2018-19*
ASSETS					
Net Block- Fixed Asset-Own	2,377.19	2,287.35	2,227.60	2,185.28	2119.17
Goodwill on Consolidation					
Investments (Incl. JVs)	636.63	490.00	1,090.00	1,290.00	1,290.00
Long Term Loans and Advances	538.87	747.30	-----	-----	-----
Other Non Current Assets	-----	-----	528.54	589.58	768.10
Net Current Assets	1,703.13	2,083.60	1,623.69	1138.16	1085.03
Miscellaneous Expenditure (to the extent not w/off)	-----	-----	-----	-----	-----
TOTAL ASSETS	5,255.82	5,608.25	5,469.83	5,203.02	5,262.30
LIABILITIES					
Equity Share Capital	552.50	552.50	552.50	552.50	552.50
Reserves & Surplus	2,972.45	2,973.42	2,992.95	2,683.62	2815.22
Application Money Pending Allotment	-----	-----	-----	-----	-----
Convertible Share Warrants	-----	-----	-----	-----	-----
Minority Interest	-----	-----	-----	-----	-----
Secured Loans	1,516.46	1,851.29	1671.34	1688.02	1598.13
Unsecured Loans	-----	-----	-----	-----	42.25
Deferred tax liability	208.68	222.89	241.96	265.10	235.05
Other Long Term Liabilities	-----	-----	-----	-----	-----
Long Term Provisions	5.73	8.15	11.08	13.77	19.15
TOTAL NET WORTH	3,524.95	3,525.92	3,545.17	3,236.12	3367.72
TOTAL LIABILITY	5,255.82	5,608.25	5469.83	5,203.02	5,262.30

* Standalone figures

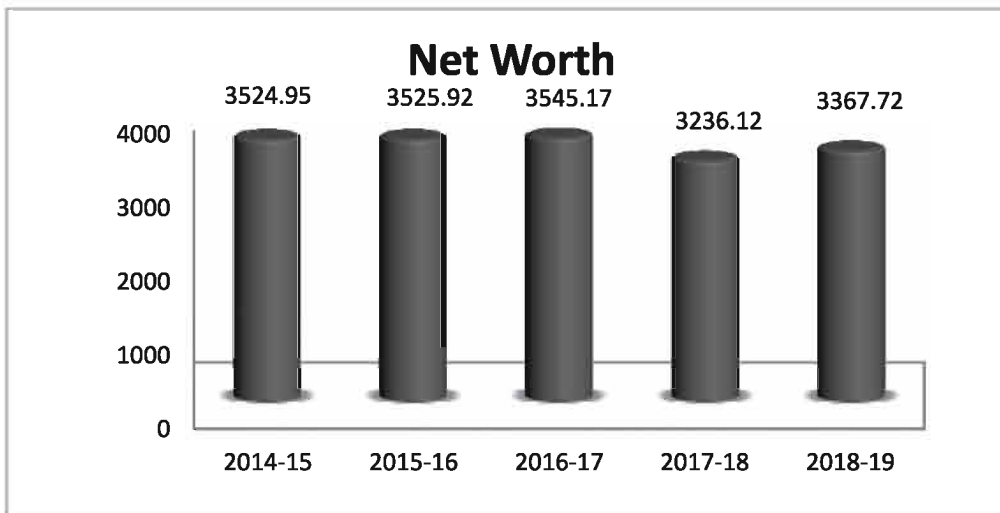
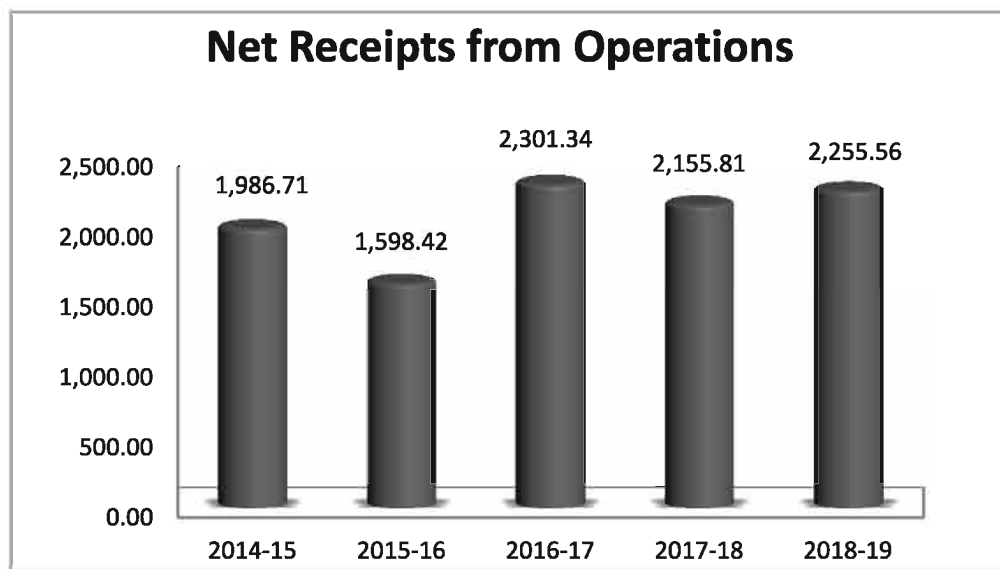
Figures in FY 2016-17 and 2017-18 have been restated because of requirement of IND AS.

FINANCIAL RATIOS

	2015	2016	2017	2018	2019
Operating Ratio	26.85%	28.16%	21.76%	11.17%	23.45%
PBIDT Ratio	25.37%	25.97%	19.77%	-9.47%	22.66%
PBT Ratio	7.08%	2.88%	2.22%	-13.26%	3.59%
PAT Ratio	4.53%	0.06%	0.83%	-14.39%	5.86%
Net Worth	3,524.95	3,525.92	3,545.17	3,236.12	3367.72
Return on Equity (PBT/Equity)	3.99%	1.30%	1.44%	-8.83%	2.40%
Interest Coverage Ratio	1.73	1.40	1.35	0.54	1.24
Debt Equity Ratio (Secured Loan/Equity)	0.43	0.52	0.47	0.52	0.47
EPS (Basic)*	1.63	0.02	0.35	(5.60)	2.38
EPS (Diluted)*	1.63	0.02	0.35	(5.60)	2.38

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 31st (Thirty First) Annual General Meeting (AGM) of the members of the Company will be held on Monday, 30th September, 2019 at the registered office of the Company at 11.00 A.M. at Block No. 106, 3rd Floor, “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015, to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2019 together with the Boards' Report and Auditors' Report thereon;
- To appoint a Director in place of Mrs. Ankita Shah (DIN: 06772621), Director who retires by rotation and being eligible, offers herself for re-appointment;

SPECIAL BUSINESS:

3. APPROVAL OF RELATED PARTY TRANSACTIONS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Meetings of Board and its Power) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members of the Company be and are hereby accorded to enter into transactions with the following related parties for a period of 3 years w.e.f. 1st October, 2019 for the values as follows:

Name of the Related Parties	Nature of transactions	Approximate Value of Transaction during the years :- (₹ in Lacs)		
		01.10.2019 to 31.03.2020	2020-21	2021-22
Artefact Infrastructure Limited	Rendering of services under Project Management Consultancy Contract	Upto 300	Upto 400	Upto 400
Zaidun Leeng Sdn. Bhd. – Artefact Projects JV , Joint Venture	Loans and Advances	300	300	300
	Accepting of Loans	300	300	300
	Rendering of services under Project Management Consultancy Contract to JV	350	250	250
	Availment of Design Services from JV by Company	600	400	400



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 required to give effect to the above resolution from time to time.”

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

Sd/-

Snehal A. Jaiswal

Company Secretary & Compliance Officer

M. No.: ACS 26960

Place: Nagpur

Date: 13th August, 2019

Registered Office:

Block No. 106, 3rd Floor,

"Artefact Towers",

54/3, Chhatrapati Square,

Wardha Road, Nagpur - 440 015

Maharashtra

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, IN CASE OF POLL ONLY, ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE 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 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 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, Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 read with SEBI press release PR No.: 51/2018 dated 3rd December, 2018, effective from 1st April, 2019, Company's shares can be transferred in dematerialized form only. Hence members, who hold shares in physical form, are requested to dematerialize their shares, so they can transfer their shares in future, if so desire.

6. The Register of Directors and Key Managerial Personnel and their Shareholdings, maintained under Section 170 and Register of Contracts 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 Agent (RTA) 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 & Compliance Officer 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. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID for easier identification of attendance at the meeting. 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, viz. 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. 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- M/s. Link Intime India Private Limited.
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 such details were not furnished earlier.
13. Pursuant to the provision of Sections 124 and 125 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend declared for the financial year 2010-11 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 of dividend lying with the Company for the financial year 2011-12. The balance amount lying in Unpaid Dividend Account for the financial year 2011-12 is due for transfer to the IEPF during the month of November, 2019. 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. Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has to transfer all shares in respect of which dividend has remained unpaid or unclaimed for 7 (seven) consecutive years or more to IEPF Authority.

The Company has transferred 3,937 shares in respect of which dividend declared for the financial year 2010-11 or earlier financial years remain unpaid or unclaimed by the members for 7 (seven) consecutive years or more to the IEPF via corporate action through Central Depository Services (India) Limited.

Members desirous to claim back his/her shares from IEPF Authority can do so by following procedure as prescribed under the said rules. The said details are available on the Company's website viz. www.artefactprojects.com and have also been uploaded on the website of the Ministry of Corporate Affairs and the same can be accessed through the link: <http://www.mca.gov.in/> and on the website of IEPF viz. <http://www.iepf.gov.in/>.

Further, the Company has initiated necessary action for transfer of all shares in respect of which dividend declared from the financial year 2011-12 has remained unpaid or unclaimed by the members for 7 (seven) consecutive years or more.

15. 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 Director proposed to be 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 Standard 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 Director pertaining to her re-appointment.
18. The Notice of the 31st AGM and instructions for 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 the permitted mode.
19. Route Map for the venue of the proposed 31st AGM of the Company is annexed at the end of this Annual Report and is also uploaded on the website of the Company i.e. www.artefactprojects.com

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 from time to time, Regulation 44 of Listing Regulations and SS-2 issued by the ICSI, the Company is pleased to provide e-voting facility to its members to cast their votes electronically on the resolutions mentioned in the Notice of the 31st AGM of the Company dated 13th August, 2019. 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 31st AGM. The members attending the meeting, who have not already cast their vote through e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through 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 e-voting and voting through poll papers 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

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

The Company has fixed Monday, 23rd September, 2019 as the 'Cut-off Date' for e-voting. The 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. Monday, 23rd September, 2019 only.

The voting period begins on Friday, 27th September, 2019 (09:00 am) and ends on Sunday, 29th September, 2019 (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 Monday, 23rd September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL after 05.00 pm on Sunday, 29th September, 2019. Once the vote on resolutions is cast by the shareholder, he/she shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” to cast votes.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DPID 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 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:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both DEMAT shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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)
Dividend Bank Details OR Date of Birth (DOB)	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"> • 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).

- (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 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 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.
 - 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 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, under help section or write an email to 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. Monday, 23rd September, 2019, may obtain the login ID and password by sending a request at 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.
- (d) A member may participate in the AGM even after exercising his/her right to vote through 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 31st AGM for all those members who are present at the AGM but have not cast their votes by availing the 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 e-voting as well as voting at the AGM through polling paper.
- (g) In case the shareholder cast their vote through both e-voting and voting through polling papers then votes casted through e-voting shall be considered and vote cast through polling paper shall be treated as invalid.
- (h) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the scrutinizer, by use of “Poll Paper” to all those members who are present at the AGM but have not cast their votes by availing the e-voting facility.
- (i) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit, 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.
- (j) The Results declared along with the Consolidated Scrutinizer Report shall be placed on the website of the Company www.artefactprojects.com and on the website of CDSL 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

In pursuance of the Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India(ICSI), details of Director seeking re-appointment at the 31st AGM is as follows:

1. **Ms. Ankita Shah**, B. Arch aged 30 years, is an Architect by Profession & has Degree in Management with specialization in Family Business Management from Indian School of Business, Hyderabad. She has undergone intern training with “Meinhardt Singapore Pte. Ltd.” She is actively managing business development, strategy implementation, operations and infrastructure services for the Company. She has contributed technical knowledge and creativity with management expertise for various B.O.T projects in infrastructure. She has worked on thesis project for design and development of Airport Terminal Building for Tier-2 city, keeping in view of the current needs of infrastructural development in India. She is a member of TEDx, TiE, and Woman Corporate Directors (WCD) and is involved in various social activities.

Name of Director	Mrs. Ankita M. Shah
DIN	06772621
Date of Birth / Age	15.01.1989/30 years
Nationality	Indian
Date of appointment as director	28.03.2015
Designation	Whole time Director (Upto 30 th June, 2019) (Re-designated as Non-Executive Director w.e.f. 1 st July, 2019)
Qualification	B. Arch, MFAB- Management for Family Business
Experience/Expertise	She has experience in Architectural & Technical Designing for various Infra Projects, Business Development & Business Management.
Shareholding in the Company (Equity shares of Rs.10/- each)	Nil
List of Directorship held in other listed companies	Nil
List of Chairmanship and Membership in other listed Companies	Chairman – NIL Member – NIL
Relationship with other directors of the Company	-
Number of Meetings attended	4
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid	Retirement by rotation
Remuneration last drawn	Rs. 12,00,000 p.a

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

ITEM NO.3:

In view of the nature of business of the Company it is essential to enter into contracts with Artefact Infrastructure Limited and Zaidun Leeng Sdn. Bhd. - Artefact Projects Limited, Joint Venture, for handling the Project Management Consultancy Services. The composite nature of the projects involved in infrastructure development, covering various aspects like designing, executing, supervising, operating and managing the whole sphere of activities require the company to resort to outsourcing and contracting with many other participants in the business. During the course of its business, the company has to enter into various contracts with the parties mentioned above.

Further, as per the prevalent and customary practice in the industry, the contracting parties and the company, provide/grant and avail loans and advances, from each other. The nature of these loans and advances are generally adopted in the industry and hence these are not prejudicial to the interest of the shareholders and /or the Company.

Artefact Infrastructure Limited and Zaidun Leeng Sdn. Bhd. - Artefact Projects Limited are related parties as per the applicable provisions.

Pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed transaction(s) with aforesaid parties being material in nature, and exceeding the limits prescribed under the Companies (Meetings of Board and its Power) Rules, 2014 of Companies Act, 2013, the same requires approval of the Members of the Company by way of Ordinary resolution.

The details regarding proposed transaction with the said parties, as per the provisions of Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as follows:

a.	Name of Related Party	Artefact Infrastructure Limited		
b.	Name of Director or KMP who is related	1. Mr. Sandeep Madanlal Batta 2. Mr. Chetan B. Shah		
c.	Nature of relationship	Related by virtue of common directorship		
d.	Nature of Contract	Rendering of services under Project Management Consultancy Contract		
e.	Monetary value	Artefact Infrastructure Limited		
		2019-20	2020-21	2021-22
	Rendering of services under Project Management Consultancy Contract	Rs. 300 Lacs	Rs.400 Lacs	Rs. 400 Lacs
f.	Terms of Contract			
	Rendering of services under Project Management Consultancy Contract	Part A: In respect of Contracts on hand and under execution as on 30 th September, 2015 Contract for mining services dated 1 st August, 2013 Contract for Engineering, procurement & Construction dated 5 th October, 2013 Contract for utilization of facilities & key manpower dated 1 st July, 2013 All the said contracts are valid upto completion of desired project except Contract for utilization of facilities & Key Manpower which is renewable yearly Part B: In respect of Contract to be entered in to by the Company in future as on or after 30 th September, 2015		

2) Further, in addition to the existing transactions related to Loans and Advances and rendering of services, we anticipate entering into related party transactions for availing of Design Services from JV (Zaidun Leeng Sdn. Bhd.- Artefact Projects Limited) for the FY 2019-20, 2020-21 and 2021-22 and hence the transaction/s, as given below, is / are placed before the shareholder for approval.

Sr. No.	Particulars	Details		
a.	Name of Related Party	Zaidun Leeng Sdn. Bhd.- Artefact Projects Limited		
b.	Name of Director or KMP who is related	N.A		
c.	Nature of relationship	Joint Venture		
d.	Nature of Contract	1. Loans and Advances to JV and its repayment 2. Availing loans from JV 3. Rendering of services under Project Management Consultancy Contract to JV 4. Availing of Design Services from JV by Company		
e.	Monetary value	Zaidun Leeng Sdn. Bhd.- Artefact Projects Limited (JV)		
		2019-20	2020-21	2021-22
	Loans and Advances	Upto ₹ 300 Lacs	Upto ₹ 400 Lacs	Upto ₹ 400 Lacs
	Accepting of Loans	₹ 300 Lacs	₹ 300 Lacs	₹ 300 Lacs
	Rendering of services under Project Management Consultancy to JV	₹ 350 Lacs	₹ 250 Lacs	₹ 250 Lacs
	Availment of Design Services from JV by Company	₹ 600 Lacs	₹ 400 Lacs	₹ 400 Lacs
f.	Terms of Contract			
	Rendering of services under Project Management Consultancy Contract	Part A: In respect of Contracts on hand and under execution as on 30 th September, 2015 Memorandum of Understanding dated 27 th April, 2005 The said MOU is valid upto completion of desired project. Part B: In respect of Contract to be entered in to by the Company in future as on or after 30 th September, 2015		

The above proposals were approved by the Audit Committee and recommended by the Board of Directors at their meetings to the unrelated shareholders of the Company for their approval.



The Board recommends the Ordinary Resolution as set out at item no. 3 of the Notice for approval. As per Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all entities / persons that are directly / indirectly related parties of the Company shall abstain from voting on resolution(s) wherein approval of Material Related Party Transactions is sought from the shareholders. Accordingly, all related parties of the Company will not vote on this resolution.

Except the directors as mentioned above, none of the Directors, Key Managerial Personnel of the Company or their relatives is concerned or interested in the said resolution.

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

Sd/-

Snehal A. Jaiswal

Company Secretary & Compliance Officer

M. No.: ACS 26960

Place: Nagpur

Date: 13th August, 2019

Registered Office:

Block No. 106, 3rd 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 31st Anniversary of the birth of the Company. Artefact Projects Ltd. established in October, 1987. Over last three decades, your company benefited from the vision and hard work of three outstanding leaders and Project Professionals and Promoters – Manoj Shah, Pankaj Shah and Chetan Shah. Each one of these leaders was instrumental in taking the organization to the next level, and each has left a distinctive imprint on the company's journey till now.

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 a humbling, and inspirational experience.

Coming to the present, it gives me great pleasure to share with you an update on the performance of your Company for the year 2018-19 and our strategy going forward. In this challenging business environment, your Company earned gross revenues from operations of Rs. 2388.15 Lacs as compared to Rs. 2409.94 Lacs in the last fiscal year. The decrease was marginal in revenue.

During the year, the company bagged Project Assignments of value of Rs. 25.6 crores and was eligible for number of Projects bid. 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 meet Business and Revenue targets for next 3 to 4 Years.

The long term view on infrastructure growth remains very positive. 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.

To expand our growth potential, we intend to expand our presence in allied verticals in Coming years. In 2018-19, the share price of Artefact rose from Rs. 21.35 upto Rs. 54.10 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 to greater heights.

Sincerely,

Sd/-
Siddharth Shah
Executive Director

Date : 13th August, 2019

Place : Nagpur



BOARD'S REPORT

To,

The Members

Your Directors present the 31st Annual Report of the Company together with the Audited Financial Statements for the year ended on 31st March, 2019.

FINANCIAL HIGHLIGHTS:

(₹ In Lacs)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Net Income from operation and other income	2388.15	2409.94
Profit before Depreciation & Amortization expenses, Finance Cost and tax (EBIDTA)	528.96	240.77
Less: Depreciation and Amortization Expenses	84.33	81.62
Finance Cost	363.64	445.02
Profit/(Loss) before tax	80.99	(285.87)
Less: Provision for tax	(51.27)	24.48
Profit/(Loss) after tax	132.26	(310.35)
Add: Other Comprehensive Income	(0.67)	(1.03)
Total Comprehensive Income	131.59	(309.32)
Balance of Surplus as per last Balance Sheet	1131.78	1441.11
Balance available for appropriation	1263.37	1131.78
Balance of profit carried to Balance Sheet	1263.37	1131.78

2018 - 2019 IN RETROSPECT:

During the year, the Company recorded almost similar turnover as in the previous year mainly on account of design projects receipts being rear ended and dependent on Environment Clearances, Forest Clearances and land acquisitions which take time resulting into reduction of billable revenue. The award of certain additional DPR Consultancy work orders under pipeline, are expected to generate additional revenue during FY 2019-20.

Manpower Cost: The manpower cost of the Company has decreased as compared to last year. The ratio of Manpower Cost is decreased by 10.85% as compared to last year.

Administrative, Selling & Other Expenses: The Administrative, selling and other expenses has seen minor decrease as compared 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 decreased on account of repayment of Term Loan reduction of interest thereon.

Depreciation: There is Marginal increase in Depreciation calculated as per statute.

BUSINESS OUTLOOK/ STATE OF THE COMPANY'S AFFAIRS:

Infrastructure is the backbone of any nation's development and quality of life.

Going with the momentum created over the last five years, a mammoth budgetary support of approximately Rs 4.56 crore was made under the union budget for the infrastructure sector for financial year 2019-20. This includes roadways, railways, shipping and aviation. Despite highways seeing the maximum projects being taken up under the infra category during the last four years, the roadways was given a relatively smaller increment among the various infra-based sectors of Rs 83,015.97 crore.

During the financial year 2018-19, your Company was awarded new projects assignments:

The 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 Rs. 3.48 Crores.

CAPITAL EXPENDITURE:

During the year the Company has incurred capital expenditure of Rs.17.62 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.

CHANGE IN THE NATURE OF BUSINESS:

There has been no change in the nature of business during the year under review.

TRANSFER TO RESERVE:

During the year under review, no amount was transferred to Reserve

PUBLIC DEPOSITS:

During the year under review, your Company has not accepted any deposits within the meaning of Sections 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 2018-19. The paid up equity share capital of your Company as on 31st March, 2019 is Rs. 5,52,50,000/- (Rupees Five Crore Fifty Two Lacs Fifty Thousand only) divided into 55,25,000 Equity shares of face value of Rs. 10/- (Rupee Ten) each.

EXTRACT OF ANNUAL RETURN:

An extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 in Form MGT-9 is appended to this Report as “Annexure – I”.

Further, pursuant to the provisions of Section 134(3)(a), the same is also being made available on the website of the Company viz. www.artefactprojects.com.

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, Mrs. Ankita Shah (DIN: 06772621), Director of the Company retires by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, has offered herself for re-appointment. The Notice convening the forthcoming AGM includes the proposal for reappointment of aforesaid Director alongwith brief resume and other details as required under the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

Mr. Pankaj Shah (DIN: 00010504) and Mr. Sudhir Kumar Gupta (DIN: 07780511) resigned as Directors of the Company on 4th May, 2019 and 19th June, 2019 respectively. The Board expresses its appreciation for their valuable guidance during their association with the Company.

Mr. Siddharth P. Shah (DIN: 05304116) was re-appointed as an Whole-time Director of the Company for a further period 3 (three) w.e.f. 6th July, 2019, subject to the approval of members.

Mrs. Meena Gupta (DIN: 02065061) was appointed as an Independent Director of the Company for a term of 2 (two) years w.e.f. 24th July, 2019 upto 23rd July, 2021, subject to the approval of members.

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 4 (Four) 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, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS:

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 own 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.
- v. Ability to contribute to and monitor our corporate governance practices.

During the year under review, the Nomination and Remuneration Committee reviewed the performance of all the executive and non-executive directors.

A separate meeting of the Independent Directors was held for evaluation of performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman.

COMMITTEES OF THE BOARD:

There are currently following Committees of the Board:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee

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

1. Borrowing Committee
2. Management Committee
3. Ad-hoc Committee

Details of all 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 2018-19, 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 profit 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.

No material related party transactions were entered during the year under review by your Company. Hence, accordingly disclosure as required under Section 134(3) of the Companies Act, 2013 in Form AOC-2 is not applicable to the company.

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, LED's and others to avoid wastage of energy.
- ii. Improved monitoring of energy consumption through building management systems.
- iii. Creating awareness among employees to conserve energy and follow its protocols.
- iv. While procurement of equipment, focus is on energy efficient systems for greener future.
- v. Use of Solar Energy for hot water consumption 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 to save time and costs.
- ii. Use of Internet based communication systems to reduce paper communication and quicker and transparent information sharing system.
- iii. The benefits derived from Technology absorption are higher efficiency, better reliability and availability, reduced maintenance, environment friendly atmosphere and reduction in printing cost.
- iv. The Company's operations do not require significant import of technology.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Amount in ₹)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
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 29th Annual General Meeting ('AGM') of the Company held on 30th June, 2017 to hold office from the conclusion of 29th AGM till the conclusion of 34th AGM, on terms and conditions as may be decided by the Board.

The Statutory Auditors have given a confirmation to the effect that they are eligible to continue with their appointment and that they have not been disqualified in any manner from continuing as the Statutory Auditors of the Company.

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 amounting to Rs. 686.02 lacs of completed projects are entirely from Government Authorities whose single entry accounting system does not enable issue of any balance confirmation of unpaid Bills. The company has on record Receipted Bills and contractual compliances as per express provisions of agreement. The fact is supported by Clause No.6.4 (C) and Clause No.6.4 (d) of the Consultancy Contract executed with client. The debtors of completed contracts are Final Bills due and pending procedural compliances. Hence, the said debtors are considered recoverable in the normal course of business. Management is reasonably assured of its recovery.
2. Auditor's comments in the Independent Auditors Report at point No.(ii) under Basis for Qualified Opinion read along with Note No. 12.02 where Auditors have expressed inability to comment on the recoverability of the amount advanced to party of Rs.72.72 Lacs. Management had paid sponsorship cost for higher studies at abroad for Engineering and Sponsored Engineer is yet to render services of 2 years after completion of studies as per contract. The Management is taking Legal steps for its recovery during the ensuing financial year. Any provision required therefor shall be made by management on assessment of the progress of legal recovery.
3. Auditors comments in the Independent Auditors Report at Point No.(iii) under the basis for Qualified Opinion read alongwith Note No. 6.01. The Management of company feels that the investment in financial instruments being (CCDs) Compulsory Convertible Debentures and interest accrued there on amounting to Rs. 5.98 Crores shall be realized to the extent of investment. The investment is made as a long term strategic investment in mining assets assets of much higher value.

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, Mr. Jigar Gorsia, Practising Company Secretary is appointed as the Secretarial Auditor of the Company for the Financial Year 2018-19. 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.

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 Company has in place adequate systems 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 /ASSOCIATE COMPANIES/ JOINT VENTURES:

As on 31st March, 2019, 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 Form 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.

PERFORMANCE OF SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES:

The Joint Ventures have incurred Losses during the Current Financial year under review due to sluggish market conditions.

MAINTAINENCE OF COST RECORDS:

The provisions of Rule 8(5)(ix) of Companies (Accounts) Rules, 2014 of Section 134(3) of Companies Act, 2013 regarding maintenance of cost records are not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility are not applicable to the Company. Therefore, the Company has not developed or implemented any policy on Corporate Social Responsibility initiatives.

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 received by the Committee 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 2018-19 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 systems to ensure compliance with the applicable Secretarial Standards 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.

CHANGE IN THE ADDRESS OF REGISTERED OF THE COMPANY :

Change in Registered office address to the company from Block No. 107, 4th Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440 015 to Block No. 106, 3rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440 015 within local limits of the city w.e.f. 14th November 2018

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: 13th August, 2019

Siddharth Shah
Whole-time Director
DIN: 05304116

Ankita Shah
Director
DIN: 06772621

ANNEXURE-I
EXTRACT OF ANNUAL RETURN

Form No. MGT-9
(As on the financial year ended on 31st March, 2019)
[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 th 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. 106, 3 rd Floor, "Artefact Towers", 54/3 Chhatrapati Square, Wardha Road, Nagpur-440015 Tel : 91712-7197100 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/ Service000	% 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
Sub-total (A)(1)	3011400	0	3011400	54.50	3011400	0	3011400	54.50	0.00
(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
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of promoters (A)	3011400	0	3011400	54.50	3011400	0	3011400	54.50	0.00
B. Public									
(1) Institutions									
(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
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non Institutions									
(a) Bodies Corp.									

(i) Indian	456637	37600	494237	8.95	455369	37100	492469	8.91	(0.04)
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 Lac	548241	123008	671249	12.15	566822	113508	680330	12.31	0.16
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lacs	778208	0	778208	14.09	768258	0	768258	13.91	(0.18)
(c) Others									
HUF	254826	100	254926	4.61	253807	100	253907	4.60	(0.1)
Clearing Member	227363	0	227363	4.12	227183	0	227183	4.11	(0.00)
NRI	21773	3400	25173	0.46	21772	3300	25072	0.45	(0.01)
IEPF	45444	0	45444	0.82	49381	0	49381	0.89	0.07
NBFC Registered with RBI	17000	0	17000	0.31	17000	0	17000	0.31	0
Sub-total (B)(2)	2349492	164108	2513600	45.50	2359592	154008	2513600	45.50	0.00
Total Public Shareholding (B)	2349492	164108	2513600	45.50	2359592	154008	2513600	45.50	0.00
C. Shares held by custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	5360892	164108	5525000	100.00	5370992	154008	5525000	100.00	0.00

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
	Total	3011400	54.50	0.00	3011400	54.50	0.00	0.00

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.)	THERE IS NO CHANGE IN SHAREHOLDING			
At the end of the year	-	-	3011400	54.50

iv. 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	East and West Securities Private Limited				
	a) At the Beginning of the Year	400000	7.24	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	400000	7.24
2	Arcadia Share & Stock Brokers Private Limited				
	a) At the Beginning of the Year	227033	4.11	-	-
	b) Net Changes during the Year	(40)	(0.00)		
	c) At the end of the Year	-	-	226993	4.11
3	Parsram Chandumal Rohira				

	a) At the Beginning of the Year	200000	3.62	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	200000	3.62
4	Girdhari P Rohira				
	a) At the Beginning of the Year	137627	2.49	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	137627	2.49
5	Sidhwani Chandan Totaram				
	a) At the Beginning of the Year	90000	1.63	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	90000	1.63
6	Umesh Satyanarayan Agrawal				
	a) At the Beginning of the Year	70000	1.27	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	70000	1.27
7	Mukul Mahavir Prasad Agrawal				
	a) At the Beginning of the Year	57500	1.04	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	57500	1.04
8	Usha Gurumukh Sukhwani				
	a) At the Beginning of the Year	52670	0.95	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	52670	0.95
9	Harmeet Singh Inderjit Singh Sodhi				
	a) At the Beginning of the Year	50500	0.91	-	-
	b) Net Changes during the Year	50	0.00		
	c) At the end of the Year	-	-	50550	0.91
10	Basant T Sukhwant				
	a) At the Beginning of the Year	50000	0.91	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	50000	0.91

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.

v. **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
1	Mr. Pankaj B. Shah				
	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



2	Mr. Siddharth P. Shah				
	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
3	Mrs. Ankita Shah				
	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
4	Mr. Sandeep M. Batta				
	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
5	Mr. Sudhir Gupta				
	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
6	Ms. Shilpa A. Bhargava				
	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
7	Mr. Ashok Karwa (appointed w.e.f. 14th August, 2018)				
	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
8	Mr. Sanjay Khare (resigned w.e.f. 30th April, 2018)				
	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

V. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,92,76,164.27			17,92,76,164.27
ii) Interest due but not paid		0	0	
iii) Interest accrued but not due				
Total (i+ii+iii)	17,92,76,164.27	0	0	17,92,76,164.27
Change in Indebtedness during the financial year				
- Addition	34,26,38,161.65	42,25,000		34,68,63,161.65
- Reduction	(35,19,21,425.35)		0	(35,19,21,425.35)
Net Change	16,99,92,900.57	42,25,000	0	17,42,17,900.57
Indebtedness at the end of the financial year				
i) Principal Amount	0	0		0
ii) Interest due but not paid			0	
iii) Interest accrued but not due				
Total (i+ii+iii)	16,99,92,900.57	42,25,000	0	17,42,17,900.57

VI. 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 Rs)
		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	12,00,000	12,00,000	24,00,000
	(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.	Total	12,00,000	12,00,000	24,00,000
	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. Sudhir Gupta	Mr. Pankaj Shah	
1.	Fees for attending Board/ Committee Meetings	0	0	0	0
2.	Commission	0	0	0	0
3.	Others	0	0	0	0
	TOTAL	0	0	0	0
	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	CFO	Total Amount (In `)
		Ms. Shilpa A. Bhargava	Mr. Ashok Karwa (Appointed w.e.f. 14 th August, 2018)	Mr. Sanjay Khare (Resigned w.e.f. 30 th April, 2018)	
1.	Gross Salary	450000	1800000	975000	3225000
	(a) Salary as per provisions contained in section17(1) of the Income- tax Act,1961				
	(b) Value of perquisites u/s17(2)Income-taxAct,1961	0	0	0	0
	(c) Profit s in lieu of salary under section17(3) Income taxAct,1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
5.	Others, please specify	0	0	0	
6.	Total	450000	1800000	975000	3225000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

**For and on behalf of the Board of Directors
For Artefact Projects Limited**

**Place: Nagpur
Date: 13th August, 2019**

**Sd/-
Siddharth Shah
Whole-time Director
DIN: 05304116**

**Sd/-
Ankita Shah
Director
DIN: 06772621**

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 Rs. 1.40 Lakhs.

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-		
Sr. no.	Name of the Director	Ratio of remuneration to the median remuneration of the employees
1	Mr. Pankaj Shah (Resigned w.e.f. 4 th May, 2019)	0.00
2	Mr. Siddharth Shah	8.56
3	Mrs. Ankita Shah	8.56
4	Mr. Sandeep Batta	0.00
5	Mr. Sudhir Gupta (Resigned w.e.f. 19 th June, 2019)	0.00
(ii) The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year		
Sr. no.	Name of the Director	% Increase over last F.Y.
1	Mr. Pankaj Shah	(Resigned w.e.f. 4 th May, 2019)
2	Mr. Siddharth Shah	0.00
3	Mrs. Ankita Shah	0.00
4	Mr. Sandeep Batta	0.00
5	Mr. Sudhir Gupta	0.00
6	Mr. Sanjay Khare – CFO	Resigned w.e.f. 30 th April, 2018
7	Mr. Ashok Karwa – CFO	Appointed w.e.f. 14 th August, 2018 as Chief Financial Officer
8	Ms. Shilpa Bhargava- CS	26.00



(iii)	The percentage increase in the median remuneration of employees in the financial year	25.14
(iv)	The number of permanent employees on the rolls of the company	320
(viii)	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. The number of employees has decreased as compared to the previous financial year 17-18. 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: 13th August, 2019		
Siddharth Shah Whole-Time 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 and Remuneration of Managerial Personnel) Rules, 2014

I Names of the top ten employees of the Company in terms of remuneration drawn

Sr. No	Name of employee	Designation of the employee	Remuneration received in Rs. per annum	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(ii) 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. Anarendra Jalharc	Vice President, Highway	1,881,227	Normal Contract	BE(Civil), M.Tech	1/1/2009	48	RCC Consultant Nagpur	NIL	NA
2	Mr. Anil Kumar Shrivastav	Team Leader, Sr. Highway Engineer	3,600,000	Normal Contract	BE(Civil)	12/14/2017	69	SA Infrastructure Consultants Pvt. Ltd.	NIL	NA
3	Mr. Prateek Thakkar	Environmental engineer	1,346,200	Normal Contract	Master of Science (Environmental)	22/09/2008	40	Sheladia Associates, Inc, USA	NIL	NA
4	Mr. Siddharth Shah	Whole Time Director	1,200,000	Normal Contract	BE(Civil), M.Tech	7/6/2013	26	NA	NIL	Son of Mr. Pankaj Shah, Director
5	Mr. Jivan Nokese	General Manager	1,789,492	Normal Contract	BE(Civil), M.Tech	1/12/2017	64	Govt Employee PWD	NIL	NA
6	Mr. B. Ravi Kumar TL	Team Leader, Sr. Highway Engineer	1,568,387	Normal Contract	BE(Civil)	8/28/2018	47	Aarvee Association Architects Engg & Consultants Ltd	NIL	NA
7	Mr. Santosh Alkotkar	Sr. Quality Surveyor	1,129,785	Normal Contract	BE(Civil)	18/10/2010	38	Simplesx Infrastructur Ltd	NIL	NA
8	Mr. Ajit Kumar Agrawal	Bridge / Structure Engineer	1,920,000	Normal Contract	BE(Civil)	9/1/2018	48	Dilip Buildcom Limited	NIL	NA
9	Mr. Ritohi Pal Singh	Bridge / Structure Engineer	2,040,000	Normal Contract	BE/B.Tech/BE Civil	2/19/2018	48	Theme Engineering & Services Ltd	NIL	NA
10	Mr. Bikram Prasad Yadav	SQME	1,283,226	Normal Contract	BE (Civil)/M.Tech	8/21/2018	65	SEW LSY Highways Limited	NIL	NA

II Name of employees who were employed throughout the Financial Year 2018-19 and were paid remuneration not less than 1 Crore 2 lakhs Rupees per annum.: NIL

III Name of employees who were employed in part during the Financial Year 2018-19 and were paid remuneration not less than 8 lakhs 50 thousand per month.: NIL

IV Name of employees who were employed throughout the Financial Year 2018-19 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

Place: Nagpur
Date: 13th August, 2019

Sd/-
Siddharth Shah
Whole-Time Director
DIN: 05304116

Sd/-
Ankita Shah
Director
DIN: 06772621

ANNEXURE IV

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors and Members of Artefact Projects Limited
Nagpur

I 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. 106, 3rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road Nagpur 440015, Maharashtra (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 my opinion thereon.

Based on our verification of the 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, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March, 2019, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the period ended on 31st March, 2019 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') to the extent applicable to the Company :-
- 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) The 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 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 14th December, 2017 due to resignation of one of the Independent Director of the Company is yet to be filled up;

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

b) Regulation 17(2) provides that at least 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 14th December, 2017 the composition of the board of directors does not comply with this requirements; and

c) Regulation 25(6) also contains similar provisions as in Section 149 of the Companies Act, 2013 relating to filling up of intermittent vacancy of an independent director; accordingly in view of the observations in (a) hereinabove the requirement of the above mentioned regulations is also not met.



I 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 my observation at 'sub-para (a), (b) and (c) 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 my observation 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 members' views, if any, are captured and recorded as part of the minutes.

I further report that based on the information received and records maintained 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 and guidelines.

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.

Place: Nagpur

Date: 13th August, 2019

Sd/-

Jigar Gorsia

Practicing Company Secretary

M. No. 35845

C.P. No. 13231

**To,
The Board of Directors and Members of 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial record. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. I believe that the processes and practices followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Where ever required, I have obtained the management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither 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.

**Place: Nagpur
Date: 13th August, 2019**

**Sd/-
Jigar Gorsia
Practicing Company Secretary
M. No. 35845
C.P. No. 13231**

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:

The Government has been successful in bringing down average inflation to 4.6% over 10.1% during last five years, where in December 2018 it was down to 2.19% only. The Fiscal deficit has been brought down to 3.4% RE from the high of about 6% seven years ago. The Current Account Deficit is likely to be 2.5% of GDP this year against a high of 5.6% six years ago. There has been a Growth of 18% in Direct Tax Collections in 2017-18.

India could attract massive amount of as much as \$239 billion of Foreign Direct Investment (FDI) during the last 5 years. India is currently the fastest growing major economy in world and the sixth largest economy, compared to 11th largest in 2013-14.

India will be a US\$ 5 trillion economy in the next five years and might become a US\$ 10 trillion economy in the next eight years thereafter.

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads and urban infrastructure development.

OUTLOOK AND IMPACT OF UNION BUDGET 2019 ON INFRASTRUCTURE SECTOR:

1. India's national highway network is expected to cover 50,000 kms by 2019. Highway construction in India has increase by 20% year on year in 2017-18. The total national highways length increased to 122,434 kms in FY 2018 from 92,851 kms in FY 2014. The overall Industry outlook has never been so positive.
2. India has emerged as the fastest road developer in the world with 27 km of highways being built each day.
3. Rs. 83,015.97 crore has been allocated towards road transport and highway sector.
4. Rs. 3899.9 crore allocated to increase capacity of Green Energy Corridor Project along with wind and solar power projects.
5. Under the Pradhan Mantri Gram Sadak Yojana (PMGSY), construction of rural roads has tripled. Rs. 19,000 crore has been allocated to PMGSY as compared to Rs. 15,500 crore in previous year.
6. Number of Operational Airports crossed 100. Domestic air traffic passengers have doubled during the last 5 years.
7. Capital support from the budget for Indian Railways is proposed at Rs. 64,587 crore in 2019-20 (BE). The Railways' overall capital expenditure programme is of Rs. 1,58,658 crore.
8. Allocation of Rs. 8350 crore to boost telecom infrastructure.

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 and revenue visibility for next 2 to 3 years. 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, documentations, 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 Programme 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 31st March, 2019, the Net Worth of the Company stood at Rs. 3367.72 Lacs as compared to Rs. 3236.12 lacs during the previous financial year. There is no significant change in the Networth as compared to the previous Financial year. The Book value of the equity shares of the company stood at Rs. 60.95 per share.

SECURED LOANS:

Total Secured Loans outstanding of the Company stood at Rs. 1598.13 Lacs as against Rs.1688.02 Lacs for the previous year. This comprised of Bank Term loan of Rs.572.98 Lacs, Bank working capital Rs.1020.27 Lacs and Vehicle Loan of Rs. 4.89 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 Rs.3011.62 Lacs as against Rs. 2994.00 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 Rs. 2262.46 Lacs, being an increase of about 22.42% 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 Rs. 254.11 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 Rs. 259.42 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 Rs. 760.38 Lacs (Previous year Rs. 668.20 Lacs). This Consists of Loans & Advances to parties Rs. 191.45 Lacs, Deposits of Rs. 32.54 Lacs, Tax refunds due from revenue authorities, Cenvat Credit available and MAT Credit Entitlement is Rs. 99.46 Lacs and others debit balances of Rs. 436.93 Lacs.

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

The current liabilities and provisions stood at Rs. 2233.96 Lacs (previous year Rs. 2788.88 Lacs). This mainly consists of Trade Payables of Rs. 579.99 Lacs, Statutory Liability of Rs. 956.60 Lacs and other payables amounting to Rs. 697.37 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.

The Company has adopted Indian Accounting Standard (IND-AS), notified under the Companies (Accounting) Rules, 2015. At the end of the Year 2018-2019, the break-up of Human Resource was employment of 40 Senior Key Professionals, 135 Professionals and 145 Supporting Staff, total being 320.

DETAILS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS:

Particulars	2018	2019
Operating Ratio	11.17%	23.45%
PBIDT Ratio	-9.47%	22.66%
PBT Ratio	-13.26%	3.59%
PAT Ratio	-14.39%	5.86%
Net Worth	3,236.12	3367.72
Return on Equity (PBT/Equity)	-8.83%	2.40%
Interest Coverage Ratio	0.54	1.24
Debt Equity Ratio (Secured Loan/Equity)	0.52	0.47
Debtors Turnover	85.73%	100.30%
Current Ratio	1.02	0.93
EPS (Basic)*	(5.60)	2.38
EPS (Diluted)*	(5.60)	2.38

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 31st March, 2019.

BOARD OF DIRECTORS:

A. COMPOSITION:

The Board has an appropriate mix of Executive and Non-Executive Directors to maintain its independence. As on 31st March, 2019, 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 31st March, 2019.

The Composition of the Board as on 31st March, 2019 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 2018-19, the Board of Directors met 4 (Four) times on the following dates:

1	30 th May, 2018*	3	14 th November, 2018
2	14 th August, 2018	4	14 th February, 2019

* The Meeting held on 30th May, 2018 was adjourned and held on 01st June, 2018

As stipulated, the gap between two consecutive meetings did not exceed one hundred and twenty days as the provisions of the Act and SS-1 issued by the ICSI.

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 31st March, 2019 is given below:

Sr. No	Name of the Director	No. of Board Meetings		Attendance at AGM held on 29 th September, 2018	As on 31 st March, 2019 (Excluding Position in the Company)			Inter se relation among Directors	No. of shares/convertible instruments held
		Held	Attended		No. of Directorships in other Entities	Committee			
						Membership	Chairmanship		
1	Mr. Pankaj Shah, Non-Executive Director	4	4	Yes	0	0	0	Mr. Pankaj Shah is father of Mr. Siddharth Shah	7,47,550 equity shares
2	Mr. Siddharth Shah, Whole Time Director	4	4	Yes	0	0	0	Mr. Siddharth Shah is son of Mr. Pankaj Shah	-
3	Mrs. Ankita Shah, Whole Time Director	4	4	Yes	0	0	0	Not Related	-
4	Mr. Sandeep Batta, Independent Director	4	4	Yes	2	0	0	Not Related	-
5	Mr. Sudhir Gupta, Independent Director	4	4	Yes	0	0	0	Not Related	-

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 Stakeholder's 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 Act and Regulation 25(3) of Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 10th January, 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and to ensure the system devised for checking the flow of information between the Board and the Management is operating effectively 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>

CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

INDUSTRY KNOWLEDGE & EXPERIENCE

- Understanding of the relevant laws, rules, regulation policies applicable to the organisation/ industry/ sector and level/status of compliances thereof by the organization.
- Understanding of the best corporate governance practices, relevant governance codes, governance structure, processes and practices followed by the organization.
- Understanding of business ethics, ethical policies, codes and practices of the organization.
- Understanding of the structures and systems which enable the organisation to effectively identify, assess and manage risks and crises

The above list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively, are available with the Board.

CONFIRMATION ON INDEPENDENT DIRECTORS:

In the opinion of the Board, the independent directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

DETAILED REASONS FOR THE RESIGNATION OF AN INDEPENDENT DIRECTOR:

During the year under review, no Independent Director has resigned from the Board of the Company.

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 31st March, 2019 by the members of the Board and Senior Management Personnel, as applicable to them, is also annexed to this Annual Report.

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, Designated Employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the said code.

COMMITTEES OF THE BOARD :

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 Three (3) Committees of the Board:

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

In addition to the aforesaid committees, the Company also has following Three (3) committees:

- i) Borrowing Committee
- ii) Management Committee
- iii) Ad-hoc Committee

A) BOARD COMMITTEES:

i) AUDIT COMMITTEE:

The Company has an Audit Committee constituted in terms of Section 177 of the Act 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 31st March, 2019, 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 2018-19, the Audit Committee met 4 (Four) times on the following dates:

1	30 th May, 2018	3	14 th November, 2018
2	14 th August, 2018	4	14 th February, 2019

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	Designation	No. of Committee Meetings	
		Held	Attended
Mr. Sandeep M. Batta	Chairman	4	4
Mr. Pankaj B. Shah	Member	4	4
Mr. Sudhir Gupta	Member	4	4

The 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 Saturday, 29th September, 2018.

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 inter corporate 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.
19. The Committee also monitors the implementation and compliance with the Company's Code of Conduct for prohibition of Insider Trading.

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 the Act 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 2018-19, the Committee met 1 (One) time on 13th August, 2018. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman / Member	No. of Committee Meetings	
		Held	Attended
Mr. Sandeep Batta	Chairman	1	1
Mr. Pankaj Shah	Member	1	1
Mr. Sudhir Gupta	Member	1	1

The 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.

vi. recommend to the board, all remuneration, in whatever form, payable to senior management.

c) Remuneration Policy:

The Company follows a comprehensive policy for selection, re-commendation, 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 Director's 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.

No sitting fee is 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/sitting fees paid during the Financial Year 2018-19 and No. of Shares held by directors as on 31st March, 2019:

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. Sandeep M. Batta	-	-	-	-
Mrs. Ankita Shah	12,00,000	-	-	-
Mr. Sudhir Gupta	-	-	-	-
Total	24,00,000	-	-	7,47,550

* Salary includes perquisites

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

Presently, the Company does not have any scheme to grant stock options either to the Executive Directors or to Employees of the Company.

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 Act 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 2018-19, the Committee met 4 (Four) times on 8th May, 2018, 14th July, 2018, 20th October, 2018 and 18th January, 2019. 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 M. Batta	Chairman	4	4
Mr. Pankaj B. Shah	Member	4	4
Mr. Sudhir Gupta	Member	4	4

The 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 31st March, 2019):**

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

B) OTHER COMMITTEES:

D) BORROWING COMMITTEE:

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

During the financial year 2018-19, the Committee met once on 13th June, 2018. 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 B. Shah	Member	1	1
Mr. Sudhir Gupta	Member	1	1

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 2018-19. The composition of the Committee was as follows:

Name of Member	Chairman/ Member
Mr. Pankaj B Shah	Chairman
Mr. Chetan B. Shah	Member
Mr. Siddharth P. 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:

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

iii) AD-HOC COMMITTEE:

a) Composition of the Committee, Meetings and Attendance:

During the financial year 2018-19, the Committee met 6 (Six) times on 02nd June, 2018, 22nd June, 2018, 02nd August, 2018, 30th October, 2018, 24th November, 2018 and 25th January, 2019. 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	6	6
Mr. Sandeep Batta	Member	6	6
Mr. Siddharth Shah	Member	6	6
Mr. Sudhir Gupta	Member	6	6

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.

GENERAL BODY MEETINGS:

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

Date and Year	Time	Location
29 th September, 2018	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
30 th June, 2017	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440015
29 th September, 2016	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
29 th September, 2018	Special Resolution for 1. Appointment of Mr. Sudhir Gupta as an Independent Director 2. Re-Appointment of Mr. Sandeep Batta as an Independent Director 3. Approval under Section 180 (1) (a) of the Companies Act, 2013
30 th June, 2017	No Special Resolution was proposed or passed.
29 th September, 2016	Special Resolution for approval of Related Party Transactions.

D) Postal Ballot/EGM conducted during the year:

No Special Resolution was proposed through Postal Ballot during the financial year 2018-19. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal ballot. No Extra-ordinary General Meeting was held during the financial year 2018-19.

MEANS OF COMMUNICATION TO SHAREHOLDERS:

Your Company disseminates timely information about its operations, business and financial performance to stock exchanges, media, shareholders, analysts and society at large. The quarterly/half yearly and yearly financial results are sent to BSE Limited immediately after they are approved by the Board in their meeting. The Financial Results were published in English Newspaper i.e. The Indian Express and Marathi Newspaper i.e. Loksatta. The results are posted on Company's website www.artefactprojects.com and BSE Limited i.e. www.bseindia.com.

Shareholders can contact Company Secretary & Compliance Officer on shareholders@artefactprojects.com

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

DISCLOSURES:

I. RELATED PARTY TRANSACTIONS:

The related party transactions during the financial year 2018-19 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 5th July, 2016, the Company has adopted Indian Accounting Standards ("Ind AS") which is applicable w.e.f. 1st 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 during the Financial year 2018-19.

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 2018-19.

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 31st March, 2019, the Company does not have any Subsidiary or Associate companies. However, the Company has 3 Joint ventures as on 31st March, 2019, 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

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. 106, 3rd Floor, "Artefact Towers",
54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015
E-mail: agkarwa@gmail.com, artefactnagpur@gmail.com
Tel: #91 - 712 - 7197100
Fax: #91 - 712 - 7197120

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 2018-19, 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, Whole Time Director and Mr. Ashok Karwa, CFO 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.

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. 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-para (2) to (10) of Schedule V of the Listing Regulations except the following:



- a. Half of the Board as on 31st March, 2019 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.

Reason for non-compliance: 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.

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:

Discretionary Requirements	Status of compliance for F.Y. 2019 (Yes/No)
<p>The Board</p> <p>A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.</p>	No
<p>Shareholder Rights</p> <p>A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.</p>	No
<p>Modified opinion(s) in audit report</p> <p>The listed entity may move towards a regime of financial statements with unmodified audit opinion.</p>	No. However, the management is striving for unmodified audit opinion in the coming years.
<p>Separate posts of chairperson and chief executive officer</p> <p>The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.</p>	No
<p>Reporting of internal auditor</p> <p>The internal auditor may report directly to the audit committee.</p>	Yes

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

XII. COMMODITY PRICE RISK AND COMMODITY HEDGING ACTIVITIES: Not Applicable

XIII. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A):

During the financial year 2018-19, the Company has not raised any funds through preferential allotment or qualified institutions placement.

XIV. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

A Certificate received from Mrs. Tanuja Agarwal, Company Secretary in Practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority forms part of this report.

XV. RECOMMENDATION BY COMMITTEE:

The Board has accepted all recommendations from all the committees of the Board, which is mandatorily required, during the financial year under review.

XVI. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART.

Details relating to fees paid to the Statutory Auditors are given in Note 29.01 to the Standalone Financial Statements.

XVII. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

- a. number of complaints filed during the financial year-NIL
- b. number of complaints disposed of during the financial year-NIL
- c. number of complaints pending as on end of the financial year.- NIL

XVIII. DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any of its securities lying in demat/unclaimed suspense account arising out of public/bonus/right issues as at 31st March, 2019. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities in suspense account and other related matters does not arise.

XIX. AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE PROVISIONS RELATING TO CORPORATE GOVERNANCE:

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

ADDITIONAL INFORMATION FOR THE SHAREHOLDERS:

1. UNCLAIMED DIVIDENDS:

Pursuant to the provisions of Sections 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 2010-11 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 2011-12. The balance amount lying in Unpaid Dividend Account for the financial year 2011-12 is due for transfer to the IEPF during the month of November, 2019. Members, who have not encashed their dividend for the financial year 2011-12, 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:

Year	Dividend Rate per share	Date of Declaration	Due Date for transfer to IEPF
2011-12	Re.0.75	29 th September, 2012	4 th 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
2017-18	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:	30 th September, 2019	
Time:	11.00 A.M.	
Venue:	Block No. 106, 3 rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015	
(b) Financial Year:	1 st April to 31 st March	
(c) Financial Calendar (Tentative):	Result for the quarter ended 30 th June, 2019	On 13 th August, 2019
	Result for the quarter ending 30 th September, 2019	By 14 th November, 2019
	Result for the quarter ending 31 st December, 2019	By 14 th February, 2020
	Audited Result for the quarter and year ending 31 st March, 2020	By 30 th May, 2020 (Audited)
(d) Dividend Payment Date:	Not Applicable	
(e) Book Closure Date:	From Tuesday, 24 th September 2019 to Monday, 30 th September, 2019 (both days inclusive).	
(f) Cut-off date for e-voting	The 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. Monday, 23 rd September, 2019.	

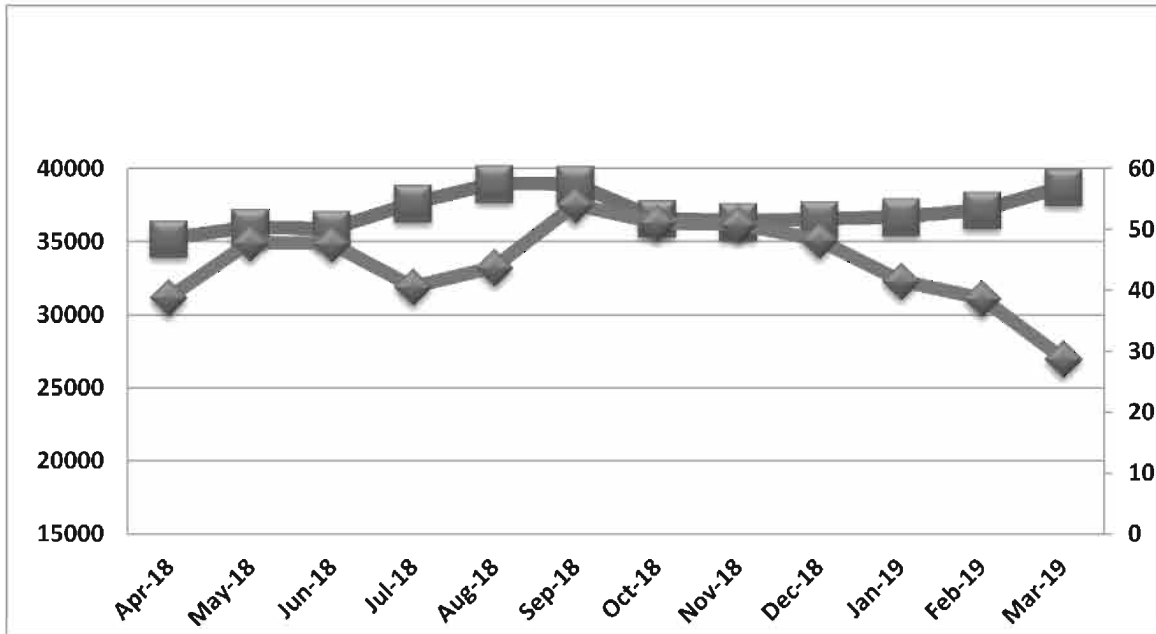
(g) Listing on Stock Exchange:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 The Company has paid Listing fees for the year 2018-19.
(h) Scrip Code & ISIN:	Equity – BSE 531297 ISIN- INE885B01014
(i) Market Price Data:	As per Appendix “A”
(j) Stock performance in Comparison to BSE Sensex:	As per Appendix “B”
(k) 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
(l) Distribution of shareholding & Shareholding pattern:	As per Appendix “C”
(m) 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. However, as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.
(n) Dematerialization of shares:	As on 31 st March, 2019, 97.21% of the equity shares of the Company are held in dematerialized form with NSDL and CDSL.
(o) Conversion of Share Warrants:	Nil
(p) Plant Location:	Nil
(q) Address for the correspondence: Company:	Block No. 106, 3 rd Floor, “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 Tel: # 91 – 712 – 7197100 Fax: # 91 – 712 – 3025 120 Email: shareholders@artefactprojects.com; artefactnagpur@gmail.com
(r) Outstanding ADRs, GDRs or any convertible instruments, conversion date and impact on Equity:	As on 31 st March, 2019, your Company has not issued any ADRs, GDRs or any convertible instruments.
(s) Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
(t) Credit Rating:	Not Applicable

APPENDIX – A
MARKET PRICE DATA

COMPANY : ARTEFACT PROJECTS LIMITED
SCRIP CODE : 531297

Month	Prices of shares of the Company at BSE (Rs.)*		Volume* (No. of Shares)	BSE Sensex* (Points)	
	High Price	Low Price		High	Low
Apr 2018	38.80	30.60	12227	35213.30	32972.56
May 2018	47.90	35.15	1815	35993.53	34302.89
Jun 2018	47.70	34.75	5255	35877.41	34784.68
Jul 2018	40.60	31.55	2533	37644.59	35106.57
Aug 2018	43.80	34.50	163	38989.65	37128.99
Sep 2018	54.10	41.65	172	38934.35	35985.63
Oct 2018	51.10	44.00	110	36616.64	33291.58
Nov 2018	50.90	46.20	8	36389.22	34303.38
Dec 2018	48.30	43.70	4964	36554.99	34426.29
Jan 2019	41.55	31.90	2095	36701.03	35375.51
Feb 2019	38.70	21.35	6616	37172.18	35287.16
Mar 2019	28.80	24.65	2767	38748.54	35926.94

* Source: www.bseindia.com

APPENDIX-B
INDEX COMPARISON

APPENDIX-C
DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 31st MARCH, 2019

Category	Number of Shareholders (#)	Total number of Shareholders (%)	Total number of Shares	Total number of Shares (%)
1-500	1412	81.05	228803	4.14
501-1,000	138	7.92	113126	2.05
1,001-2,000	71	4.07	108398	1.96
2,001-3,000	37	2.12	91709	1.66
3,001-4,000	14	0.80	51755	0.94
4,001-5,000	10	0.57	47857	0.87
5,001-10,000	18	1.03	140013	2.53
10,001 & Above	42	2.41	4743339	85.85
Total	1768	100.00	5525000	100.00

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

SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category	No. of Shares held	Shareholding (%)
Promoters Holding		
1. Promoters and their relatives	30,11,400	54.50
Non-Promoters Holding		
2. Bodies Corporate	4,92,469	8.91
3. Individuals	14,48,588	26.22
4. HUF	2,53,907	4.60
5. NRI's/ OCB's	25,072	0.45
6. Clearing Members	2,27,183	4.11
7. IEPF	49,381	0.90
8. NBFC's registered with RBI	17,000	0.31
TOTAL	55,25,000	100.00

SHAREHOLDER'S REFRENCER

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 97.21% 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.

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.

CERTIFICATE UNDER SCHEDULE V (C) (10) (I) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), 2015

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

I, Tanuja Agarwal, Practicing Company Secretary, have examined the Company and Registrar of Companies records, books, and papers of Artefact Projects Limited (CIN : L65910MH1987PLC044887) having its Registered at Block No. 106, 3rd Floor, "ARTEFACT TOWERS", 54/3 Chhatrapati Square, Wardha Road, Nagpur-440015, Maharashtra, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and Regulations made thereunder for the Financial year ended on March 31, 2019.

In my Opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019.

Directors of Companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2019:

Sr. No.	Name of Director	Designation	DIN
1	Mr. Siddharth Shah	Executive Director	05304116
2	Mrs. Ankita Shah	Executive Director	06772621
3	Mr. Pankaj Shah	Non-Executive Director	00010504
4	Mr. Sudhir Gupta	Independent Director	07780511
5	Mr. Sandeep Batta	Independent Director	02220509

**Place : Nagpur
Date: 13th August, 2019**

**Sd/-
CS Tanuja Agarwal
MNo. A42886
COP : 15865**

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I **Siddharth P. Shah**, Executive Director of the Company hereby confirm 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 2018-19.

**For and behalf of the Board of Directors of
Artefact Projects Limited**

**Place: Nagpur
Date: 13th August, 2019**

**Sd/-
Siddharth P. Shah
Whole Time 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 31st March, 2019, 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 as amended from time to time (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, 2019 except in the following :
 - a) Half of the Board as on 31st march, 2019 did not comprise of Independent Directors as provided under Regulation 17 of Listing Regulations and
 - b) Intermittent vacancy caused in the office of Independent Directors 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 Banthai Damani & Associates
Chartered Accountants
Firm Reg. No. – 126132W

Sd/-
Sudesh Banthia
Partner
Membership No. – 041344

Place: Nagpur
Date: 13th August, 2019

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, 2019, 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 obtained by us 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 audited financial Statements, wherein the management of the company has considered trade receivables from the Government clients in respect of completed Contracts, amounting to Rs 686.02 Lacs as good and fully recoverable. As per Management the receivables are 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. In the absence of any balance confirmation from Clients, we are unable to comment the exact extend to which these balances shall be recoverable.*

ii) *Note no. 12.02 to the accompanying audited financial statements 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.*

iii) *The Company has not evaluated or made any provision for any impairment for expected Losses, If any, In accordance with Ind-AS-109 "Financial Instruments" for investments in fully compulsory convertible debentures amounting to Rs 5.98 Crores as the Management considers the same good and recoverable for reason stated in Note No 6.01 of audited financial statements. The Company has negative net worth and hence we are unable to comment on the carrying amount, the recoverability thereof and the impact, if any on the balance sheet.*

Emphasis on Matter:

We draw attention to:

1) *Note no.9.02 to the accompanying financial statements regarding invoices amounting to Rs. 254.11 Lacs of previous year reduced from revenue together with corresponding GST liability of Rs. 45.73 Lacs thereon also reversed and the company has correspondingly valued and accounted WIP of Rs 155.36 Lacs to match the revenue reversed. The net impact of the above is reduction in profits by Rs 98.75 Lacs for the year ended 31st march 2019.*

2) *Note No 6.01 to the accompanying financial statements regarding investment of Rs. 740 lacs in fully convertible debentures and equity shares in respect of which the Company has not evaluated and made provision for impairment loss as the Management considers and have positive net worth.*

Our opinion is not Qualified in respect of above matters.

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, 2019 and its profit and its cash flows for the year ended on that date.

Key Audit Matters :

Except For the matters described in basis for qualified opinion and Emphasis on matters for paragraphs above. We have determined that there are no other matters to communicate in our report.

Other Matters

a) The Financial Statements and other financial information includes the Company's proportionate share in jointly controlled total assets of **Rs 453.78 Lacs** as at March 31, 2019, total revenue of **Rs. Nil** and total expenditure of **Rs. 36 Lacs** 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.

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, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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” to this report.
 - 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 INDAS 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 : May 30, 2019

“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, 2019)

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, 2019 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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. In our opinion, 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, 2019, 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.

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, 2019 in respect of:

- a) Reconciliations of balances outstanding, specifically trade receivables for more than six months, sundry creditors and imprest accounts and confirmations from parties 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 balances.

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, 2019, 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, 2019 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 : May 30, 2019

“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, 2019)

- 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 that 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 three joint ventures, and Company. As per the information and explanations given to us the loans are 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.
- iv. 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, ESIC, Provident fund, Profession tax, GST and TDS 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, 2019 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	F.Y. to which it relates	Amount (In Rs.)
Income Tax Act, 1961	Tax Deducted at Source (TDS)	2016-17	2,62,945.00
		2017-18	67,266.00
		2018-19	8,56,283.00
Service Tax Act	Service Tax		1,24,31,256.00
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	2017-18	95,494.00
Employees State Insurance Act, 1948	ESIC	2017-18	99,597.00
	ESIC	2018-19	1,47,002.00
Profession Tax Act, 1975	PT	2018-19	1.79.750.00
TOTAL			1,41,39,593.00

The company has however subsequently paid ESIC of Rs 1,47,002/-, Profession Tax of Rs 1,79,750/- and TDS of Rs. 8,56,283/- for FY 2018-19 have been paid in May 2019.

- a) According to information and explanations given to us and the records of the Company examined by us, there are no dues of Goods & services Tax which have not been deposited on account of any dispute. The particulars of Dues of income tax, Service tax as at March 31, 2019 which have not been deposited on account of dispute, are as below :

Name of the statute	Nature of dues	Amount	F.Y. to which the amount relates	Forum where The dispute is Pending
Income Tax Act, 1961	Income Tax	23,09,910.00	2016-17	CIT(A)
Finance Act, 1994	Service Tax & Penalty thereon	36,38,000.00	2012-13 to 16-17	CESAT
Total				

- 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 31st January 2018 by Rs 51,82,619/- as on 31.03.2018.
- 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 Reg.No- 126132W

Sudesh Banthia
Partner
Membership No. - 041344

Place: Nagpur
Date : May 30, 2019



**ARTEFACT PROJECTS LIMITED
BALANCE SHEET AS AT MARCH 31st, 2019**

Particulars	Note No	As at March 31 st , 2019 (Amount in Rs)		As at March 31 st , 2018 (Amount in Rs)	
ASSETS					
Non-Current Assets					
(a) Property, Plant and Equipment	3	20,96,05,904		21,60,61,632	
(b) Investment Property	4	19,41,739		19,41,739	
(c) Intangible Assets	5	3,69,648	21,19,17,291	5,24,583	21,85,27,954
(d) Financial Assets					
(i) Non Current Investments	6		12,90,00,000		12,90,00,000
(e) Other Non Current Assets	7		7,68,10,096		5,89,57,981
Current Assets					
(a) Inventories / Work in Progress	8		2,56,92,469		82,58,392
(b) Financial Assets					
(i) Trade Receivables	9	22,62,46,178		18,48,08,864	
(ii) Cash & Cash Equivalents	10	2,59,42,608		1,46,03,105	
(iii) Bank Balance other than above	11	84,767		1,49,773	
(iv) Loans	6 (a)	1,91,45,490	27,14,19,043	6,04,09,661	25,99,71,403
(c) Other Current Assets	12		4,41,51,510		2,40,38,762
TOTAL ASSETS			75,89,90,409		69,87,54,492
EQUITY & LIABILITIES					
Equity					
(a) Equity Share Capital	13	5,52,50,000		5,52,50,000	
(b) Other Equity	14	28,15,21,583	33,67,71,583	26,83,62,322	32,36,12,322
NON-CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Long Term Borrowings	15	5,77,86,614		6,83,66,855	
(ii) Deferred Tax Liability (Net)	16	2,35,05,321		2,65,10,092	
(b) Long Term Provisions	17	19,15,295	8,32,07,230	13,76,936	9,62,53,883
CURRENT LIABILITIES					
(a) Financial Liabilities					
(i) Short Term Borrowings	18	10,62,51,903		10,04,35,740	
(ii) Trade and Other Payables	19	5,79,99,766		3,38,48,126	
(iii) Other Financial Liabilities	15 (a)	1,01,95,434		1,39,23,050	
(b) Other Current Liabilities	20	16,20,18,728		12,83,64,153	
(c) Short Term Provisions	17 (a)	25,45,765	33,90,11,596	23,17,218	27,88,88,287
TOTAL LIABILITIES			75,89,90,409		69,87,54,492
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

For and on behalf of Board of Directors

SUDESH BANTHIA
Partner
Membership No. 041344
Nagpur, May 30th, 2019

SIDDHARTH P SHAH
Director
DIN: 05304116

SANDEEP BATTA
Director
DIN: 02220509

SHILPA BHARGAVA
Company Secretary
Membership No. 36207
Nagpur, May 30th, 2019

ASHOK KARWA
Chief Financial Officer

ARTEFACT PROJECTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31st, 2019

Particulars	Note No	Year ended March 31st, 2019 (Amount in Rs)	Year ended March 31st, 2018 (Amount in Rs)
INCOME			
Revenue from Operations	21	22,55,56,243	21,55,80,877
Other Income	22	1,32,59,249	2,54,13,272
Total Income		23,88,15,492	24,09,94,149
EXPENSES			
Project Expenses	23	3,35,25,709	4,39,29,509
Retainers and Consultancy Fees	24	5,27,46,822	9,08,00,782
Change in Inventories of Work in Progress	25	(1,74,36,371)	(82,58,392)
Employee Benefits Expense	26	9,86,07,392	7,89,80,266
Finance Cost	27	3,63,63,813	4,45,01,858
Depreciation and Amortization Expenses	28	84,33,403	81,61,612
Other Expenses	29	1,84,75,890	1,14,65,435
Total Expenses		23,07,16,659	26,95,81,070
Profit Before Tax		80,98,834	(2,85,86,921)
Income Tax Expenses:			
Current Tax		14,000	25,983
MAT Credit Entitlement			
Deferred Tax		(21,36,179)	23,14,493
Income Tax for Earlier Years		(30,04,773)	1,07,974
		(51,26,952)	24,48,450
Profit/(Loss) for the Year		1,32,25,786	(3,10,35,371)
Other Comprehensive Income (net of Tax) (item that will not be reclassified to profit & loss)		66,527	
Remeasurements of post -employment benefit obligations.	17.01		1,02,953
Total Comprehensive Income/(Loss) for the Year		1,31,59,259	(3,09,32,418)
Earnings per equity share of Rs 10 each	31		
- Basic (in Rs.)		2.38	(-5.60)
- Diluted (in Rs.)		2.38	(-5.60)

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, May 30th, 2019

SIDDHARTH P SHAH
 Director
 DIN: 05304116

SANDEEP BATTA
 Director
 DIN: 02220509

SHILPA BHARGAVA
 Company Secretary
 Membership No. 36207
 Nagpur, May 30th, 2019

ASHOK KARWA
 Chief Financial Officer



ARTEFACT PROJECTS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2019

A EQUITY SHARE CAPITAL		
Particulars	Note	Amount
As at 01st April 2016	13	5,52,50,000
Change in equity share capital		-
As at 31st March, 2017		5,52,50,000
Change in equity share capital		-
As at 31st March, 2018		5,52,50,000
Change in equity share capital		-
As at 31st March, 2019		5,52,50,000

B OTHER EQUITY						
Particulars	Note	Capital Reserve	Securities Premium	General Reserve	Surplus	Total
As at 1st April, 2017	14	1,19,93,750	13,18,90,400	1,13,00,000	14,41,10,592	29,92,94,742
Profit for the Year		-	-	-	(3,10,35,371)	(3,10,35,371)
Other Comprehensive Income		-	-	-	1,02,950	1,02,950
Total comprehensive income for the year		-	-	-	(3,09,32,421)	(3,09,32,421)
Exercise of share options		-	-	-	-	-
Share-based payments		-	-	-	-	-
Cash dividends		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
As at 31st March, 2018		1,19,93,750	13,18,90,400	1,13,00,000	11,31,78,175	26,83,62,322
As at 1st April, 2018		1,19,93,750	13,18,90,400	1,13,00,000	11,31,78,175	26,83,62,322
Profit for the Year		-	-	-	1,31,59,259	1,31,59,259
Other Comprehensive Income		-	-	-	-	-
Total comprehensive income for the year		-	-	-	1,31,59,259	1,31,59,259
Exercise of share options		-	-	-	-	-
Share-based payments		-	-	-	-	-
Cash dividends		-	-	-	-	-
Dividend distribution tax		-	-	-	-	-
As at 31st March, 2019		1,19,93,750	13,18,90,400	1,13,00,000	12,63,37,433	28,15,21,583

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, May 30th, 2019

SIDDHARTH P SHAH
Director
DIN: 05304116

SANDEEP BATTA
Director
DIN: 02220509

SHILPA BHARGAVA
Company Secretary
Membership No. 36207
Nagpur, May 30th, 2019

ASHOK KARWA
Chief Financial Officer

ARTEFACT PROJECTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31ST, 2019

Particulars	Year Ended March 31st, 2019 (Amount in Ra.)	Year Ended March 31st, 2018 (Amount in Ra.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	80,98,834	(2,85,86,921)
ADJUSTED FOR		
Depreciation and Amortization Expenses	84,33,403	81,61,612
Loss on Sale of Fixed Assets		27,620
Finance Costs	3,63,63,813	4,45,01,858
Interest Income	(1,19,23,765)	(2,23,21,054)
Written off of fixed Assets		-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4,09,72,284	18,86,068
ADJUSTMENTS FOR WORKING CAPITAL		
(Increase) / Decrease in Trade and Other Receivables	(4,14,37,314)	(49,87,502)
Increase / (Decrease) in Trade Payables and Other Liabilities	3,16,85,862	72,20,183
(Increase) / Decrease in Changes in Inventories	(1,74,34,077)	(76,63,990)
Increase / (Decrease) in Long Term Provisions	4,71,832	2,68,852
Increase / (Decrease) in Other Current Liabilities	3,78,79,575	(5,98,108)
Increase / (Decrease) in Short Term Provisions	2,28,547	20,00,639
(Increase) / Decrease in Other Non Current Assets	(1,57,15,936)	(61,04,198)
(Increase) / Decrease in Bank Balance other than above	65,006	67,723
(Increase) / Decrease in Loans	6,04,09,661	1,42,52,578
(Increase) / Decrease in Other Current Assets	(4,67,92,459)	3,40,08,446
CASH GENERATED FROM OPERATION	5,03,32,980	4,03,50,691
Income Tax Refund/ (Paid)(Net)	(14,000)	(1,33,960)
NET CASH FROM OPERATING ACTIVITIES	5,03,18,980	4,02,16,731
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(18,22,735)	(39,78,497)
Sale / Discarded of Fixed Assets		-
Sale of Fixed Assets		21,000
Purchase of Debentures	-	(2,00,00,000)
Fixed Deposit with Banks		-
Sale of Share Investments	(2,56,62,822)	(1,25,09,809)
Interest received	1,19,23,765	2,23,21,054
NET CASH FROM / (USED IN) INVESTING ACTIVITIES	(1,55,61,791)	(1,41,46,252)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Long Term Borrowings	(1,05,80,241)	(63,22,503)
Proceed from Short Term Borrowings		-
Other Financial Liabilities	(37,27,616)	(28,09,714)
Short Term Borrowings (Net)	15,91,163	1,83,61,448
Dividend paid		-
Finance Costs	(3,63,63,813)	(4,45,01,858)
NET CASH USED IN FINANCING ACTIVITIES	(4,90,80,507)	(3,52,72,627)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,43,23,318)	(92,02,148)
Cash and Cash Equivalents (Opening Balance)	1,46,03,105	1,12,95,444
Cash and Cash Equivalents (Closing Balance)	2,79,786	20,93,296
Components of Cash & Cash equivalents		
Particulars	31st March, 2019	31st March, 2018
Balances with Banks - in Current Accounts	(30,552)	11,48,966
Cash on Hand	3,10,338	9,44,330
Balances as per statement of cash flows	2,79,786	20,93,296

- (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

SUDESH BANTHIA
 Partner
 Membership No. 041344
 Nagpur, May 30th, 2019

For and on behalf of Board of Directors

SIDDHARTH P SHAH
 Director
 DIN: 05304116

SHILPA BHARGAVA
 Company Secretary
 Membership No. 36207
 Nagpur, May 30th, 2019

SANDEEP BATTA
 Director
 DIN: 02220509

ASHOK KARWA
 Chief Financial Officer

ARTEFACT PROJECTS LTD.

Notes forming part of the financial statements for the year ended March 31, 2019

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 Regd. Office : 106, "Artefact Towers", -54/3, Chhatrapati Square, Wardha Road, Nagpur -440015, Maharashtra, India. The principal place of the business of the Company is situated at 106, "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. The financial statements for the year ended 31st March, 2018 were the first financial statements of the Company under Ind AS.

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, if any 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 if any 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), if any

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. The residual values are not more than 5% of the

each reporting period.

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.

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.

Provisions 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 any one 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 asset 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 up to 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 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 adjusts the figures used in the determination of basic earnings per share to take into account: the after 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 pronouncement

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 31, 2019								
Note No 3								
Property, Plant and Equipment								
	Land	Building	Plant and Equipments	Furniture and Fixtures	Computers	Vehicles	Joint Venture Share	Total
Deemed Cost as at April 1, 2017	1,96,63,126	19,61,82,010	2,97,84,295	2,28,73,092	2,23,65,777	51,98,569	-	29,60,66,869
Additions	-	-	2,91,535	6,07,389	12,49,210	11,52,221	89,765	33,90,120
Disposals/ Adjustments	-	-	-	56,500	-	-	-	56,500
Gross Carrying Cost as at March 31, 2018	1,96,63,126	19,61,82,010	3,00,75,830	2,34,23,981	2,36,14,987	63,50,790	89,765	29,94,00,489
Accumulated Depreciation as at April 1, 2017	-	2,04,47,579	1,45,47,145	1,63,11,365	2,08,17,223	32,94,318	-	7,54,17,630
Depreciation during the year	-	31,00,575	17,11,790	16,82,005	7,33,065	6,99,628	2,044	79,29,107
Disposals/ Adjustments	-	-	-	7,880	-	-	-	7,880
Accumulated Depreciation as at March 31, 2018	-	2,35,48,154	1,62,58,935	1,79,85,490	2,15,50,288	39,93,946	2,044	8,33,38,857
Net Block as at March 31, 2018	1,96,63,126	17,26,33,856	1,38,16,895	54,38,491	20,64,699	23,56,844	87,721	21,60,61,632
Gross Carrying Cost as at April 1, 2018	1,96,63,126	19,61,82,010	3,00,75,830	2,34,23,981	2,36,14,987	63,50,790	89,765	29,94,00,489
Additions	-	-	7,72,494	3,79,952	4,72,525	-	1,37,167	17,62,138
Disposals/ Adjustments	1,96,63,126	19,61,82,010	3,08,48,324	2,38,03,933	2,40,87,512	63,50,790	2,26,932	30,11,62,627
Gross Carrying Cost as at March 31, 2019	1,96,63,126	19,61,82,010	3,08,48,324	2,38,03,933	2,40,87,512	63,50,790	2,26,932	30,11,62,627
Accumulated Depreciation as at April 01, 2018	-	2,35,48,154	1,62,58,935	1,79,85,490	2,15,50,288	39,93,946	2,044	8,33,38,857
Depreciation during the year.	-	31,46,918	17,64,414	16,23,672	10,27,244	6,03,984	51,635	82,17,867
Disposals/ Adjustments	-	-	-	-	-	-	-	-
Accumulated Depreciation as at Mar 31, 2019	-	2,66,95,072	1,80,23,349	1,96,09,162	2,25,77,532	45,97,930	53,679	9,15,56,724
Net Block as at Mar 31, 2019	1,96,63,126	16,94,86,938	1,28,24,975	41,94,771	15,09,980	17,52,860	1,73,254	20,96,05,904

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 relatives.

Note No 4		
Investment Property		
	Building	Total
Deemed Cost as at April 1, 2017	29,69,408	29,69,408
Additions	-	-
Disposals/ Adjustments	-	-
Gross Carrying Cost as at April 1, 2017	29,69,408	29,69,408
Accumulated Depreciation as at April 01, 2017	9,81,326	9,81,326
Depreciation during the year	46,343	46,343
Disposals/ Adjustments	-	-
Net Block as at March 31, 2018	19,41,739	19,41,739
Gross Carrying Cost as at April 1, 2018	29,69,408	29,69,408
Additions	-	-
Disposals/ Adjustments	-	-
Gross Carrying Cost as at Mar 31, 2019	29,69,408	29,69,408
Accumulated Depreciation as at Mar 31, 2019	10,27,669	10,27,669
Depreciation during the year.	-	-
Disposals/ Adjustments	-	-
Net Block as at Mar 31, 2019	19,41,739	19,41,739

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 on 01.04.2016 i.e.date of transition to IND AS.

4.02 Fair Market Value of Property



Particulars	31st March,2019	31st, March, 2018
Fair Market Value of Investment Property	1,08,63,380	98,75,800

Note No 5

Intangible Assets

	Computer Softwares	Total
Deemed Cost as at April 01, 2017	63,46,605	63,46,605
Additions	5,88,377	5,88,377
Disposals/ Adjustments	-	-
Gross Carrying Cost as at March 31, 2018	69,34,982	69,34,982
Accumulated Amortization as at April 01, 2017	62,24,237	62,24,237
Amortization during the year	1,86,162	1,86,162
Disposals/ Adjustments	-	-
Net Block as at March 31, 2018	5,24,583	5,24,583
Gross Carrying Cost as at April 01, 2018	69,34,982	69,34,982
Additions	60,600	60,600
Disposals/ Adjustments	-	-
Gross Carrying Cost as at Mar 31, 2019	69,95,582	69,95,582
Accumulated Amortization as at April 01, 2018	64,10,399	64,10,399
Amortization during the year	2,15,535	2,15,535
Disposals/ Adjustments	-	-
Accumulated Depreciation as at Mar 31, 2019	66,25,934	66,25,934
Net Block as at Mar 31, 2019	3,69,648	3,69,648

5.01 The Company has taken Indian GAAP carrying values as deemed cost as on 01.04.2016 i.e.

ARTEFACT PROJECTS LIMITED
Notes to the Financial Statements for the year ended March 31, 2019

Note No 6					
Financial Assets					
NON-CURRENT INVESTMENTS					
Particulars	No. of Shares/Debentures		Face Value	As at March 31st, 2019	As at March 31st, 2018
	31.3.2019	31.03.2018			
Investments at Deemed Cost					
In Associates					
Unquoted Equity Shares (fully paid)					
Artefact Infrastructure Limited	9,00,000	9,00,000	10	90,00,000	90,00,000
In Others					
Unquoted CCD's (Fully paid)					
Glowide Infrastructure Pvt Ltd	55,00,000	55,00,000	10	5,50,00,000	5,50,00,000
Koradi Minerals Pvt Ltd	65,00,000	65,00,000	10	6,50,00,000	6,50,00,000
Total deemed cost of OCI Investments				12,90,00,000	12,90,00,000

6.01 The Company has made investment in companies amounting to Rs 90 Lacs in equity shares and Rs 1200 Lacs in CCD out of which Glowide Infrastructure Pvt Ltd (investment of Rs. 550 lacs plus interest their on Rs.48.15 lacs) has negative networth as at year end and other companies have positive net worth. The Company considers its investments in all entities as long term and strategic in nature. Accordingly, no provision is considered necessary towards diminution in the value of the Company's investment and for expected credit losses in respect of investments made in such entities, which are considered good and fully recoverable.

Note No 6 (a)		
FINANCIAL ASSETS (LOANS)		
(Unsecured, considered good unless otherwise stated)		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Advances in the nature of loans		
To Associates		
Artefact Infrastructure Limited	0	1,36,14,003
To Others		
Koradi Minerals Private Limited	1,91,45,490	4,67,95,658
Total	1,91,45,490	6,04,09,661

ARTEFACT PROJECTS LIMITED
Notes to the Financial Statements for the year ended Mar 31st, 2019
Note No 7
OTHER NON-CURRENT ASSETS

(Unsecured and considered good unless otherwise stated)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Loans and Advances to Related Parties	(36,80,137)	48,87,997
Security Deposits	22,26,465	8,47,522
Advance Payment of Income Tax (Net)	6,83,17,087	4,63,52,427
MAT Credit Entitlement	99,46,681	68,70,035
Total	7,68,10,096	5,89,57,981

7.01 To make figures comparable with grouping of last year Rs.3,680,137/- credit balance is shown in this group otherwise it would have been shown in note :20 Other current liabilities

Note No 8
INVENTORIES / WORK IN PROGRESS

Particulars	As at March 31st, 2019	As at March 31st, 2018
Work In Progress (at cost)	2,56,92,469	82,58,392
Total	2,56,92,469	82,58,392

Note No 9
TRADE RECEIVABLES

(Unsecured, subject to confirmations and considered good unless otherwise stated)

Particulars	As at March 31st, 2019	As at March 31st, 2018
Trade Receivables	16,65,54,943	12,71,89,819
Receivables from Joint Ventures	5,96,91,235	5,81,19,045
Less: Provision for doubtful debts		(5,00,000)
Total	22,62,46,178	18,48,08,864
Break-up of security details		
(a) Trade Receivable considered good-Secured;		
(b) Trade Receivable considered good-Unsecured;	22,62,46,178	18,48,08,864
(c) Trade Receivable which have significant increase in Credit Risk;		
(d) Trade Receivables- credit impaired;		5,00,000
Unsecured, considered good		
Doubtful		
Less: Provision for doubtful debts		(5,00,000)
	22,62,46,178	18,48,08,864

9.01 Receivables includes Rs 686.02 Lacs outstanding for more than 6 months from Joint Ventures & from Government Department such as NHAI etc. in relation to the execution of contractual services, and final settlement on completion of projects. The services have been provided on express written orders and contracts of clients. Receivables are subject to final acceptance of clients. The management is of the view that all these amounts are good for recovery and provision for doubtful debts is not required for present. Receivables are subject to Reconciliation and confirmation from the said parties.

9.02 Receivables is net of Rs. 254.11 lacs of earlier years reversed during the year .

9.03 Trade Receivable includes Rs.12034917/- from Related parties.

Note No 10
CASH AND CASH EQUIVALENTS

Particulars	As at March 31st, 2019	As at March 31st, 2018
Cash and Cash Equivalents		
Balances with Banks - in Current Accounts	(30,552)	11,48,966
Cash on Hand	3,10,338	9,44,330
Other Bank Balances		
Fixed Deposit with Banks *	2,56,62,822	1,25,09,809
Total	2,59,42,608	1,46,03,105

* Includes Rs.25662822/- (Previous Year Rs 12,509,809/-) pledged with bank as margin money for bank guarantee facilities & collateral security



Note No 11		
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Particulars	As at March 31st, 2019	As at March 31st, 2018
Earmarked Balances - Unpaid Dividend Accounts	84,767	1,49,773
Total	84,767	1,49,773

Note No 12		
OTHER CURRENT ASSETS		
(Unsecured, considered good unless otherwise stated)		
Particulars	As at March 31st, 2019	As at March 31st, 2018
Deposits	10,28,041	13,96,600
Balance with Central Excise / Cenvat	-	12,18,432
Others*(members shares of jv)	(81,62,530)	1,61,76,461
Loans and Advances		
(a) Loan Receivable considered good-Secured;		
(b) Loan Receivable considered good-Unsecured;	4,36,93,036	52,47,269
(c) Loan Receivable wich have significant increase in Credit Risk;		
(d) Loan Receivables- credit impaired;		
Total	4,41,51,510	2,40,38,762
12.01 All the projects undertaken by the Meinhardt Singapore Pte. Ltd - Artefact Projects JV were completed in the year 2011-12, the JV partners have 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 , 2019.		
12.02 Other Loans and Advances includes Rs 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 supposed 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 he has neither joined the services nor Confirmed the company to repay the amounts hence,the company has put him to legal notice. Management is of the view that amount is good for recovery and hence no provision is required.		
12.03 To make figures comparable with grouping of last year Rs.8,162,530/- credit balance Is shown in this group other wise it would have been shown in note :20		

Note No 13		
EQUITY SHARE CAPITAL		
Particulars	As at March 31st, 2019	As at March 31st, 2018
Authorised		
10,000,000 Equity Shares of Rs 10 each (Previous year 10,000,000)	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid up Capital		
5,525,000 Equity Shares of Rs 10 each (Previous year 5,525,000)	5,52,50,000	5,52,50,000
Total	5,52,50,000	5,52,50,000
13.01 Reconciliation of number of shares outstanding :		

Particulars	As at March 31st, 2019	As at March 31st, 2018
Shares outstanding as at the beginning of the year	5,52,50,000	5,52,50,000
Add: Shares issued during the year	0	0
Shares outstanding as at end of the year	5,52,50,000	5,52,50,000

13.02 Details of Shareholders, holding more than 5% shares of Paid-up Equity Capital of the Company				
Name of Share Holder	As at March 31 st, 2019		As at March 31 st, 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
Pankaj Balkrishna Shah	747550	13.53	747550	13.53
Manoj Balkrishna Shah	700600	12.68	700600	12.68
Chetan Balkrishna Shah	563300	10.2	563300	10.2
East & West Securities Pvt Ltd	400000	7.24	400000	7.24
Rupa Shah	367350	6.65	367350	6.65

13.03 Rights to Equity Shareholders

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

Note No 14			
OTHER EQUITY			
Particulars	As at March 31 st, 2019		As at March 31 st, 2018
Capital Reserve			
Balance as per last Balance Sheet		1,19,93,750	1,19,93,750
Securities Premium			
Balance as per last Balance Sheet		13,18,90,400	13,18,90,400
General Reserve			
Balance as per last Balance Sheet		1,13,00,000	1,13,00,000
Surplus			
Balance as per last Balance Sheet	11,31,78,175		14,41,10,592
Add: Profit for the Year	1,31,59,259	12,63,37,433	(3,09,32,420)
		<u>28,15,21,583</u>	<u>26,83,62,322</u>

Note No 15		
LONG TERM BORROWINGS		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Secured Loans		
Term Loan from a Bank	5,72,97,956	6,76,82,634
Vehicle Loan from a Bank	4,88,658	6,84,221
Total	<u>5,77,86,614</u>	<u>6,83,66,855</u>

15.01 Term loan from a Bank referred to above and Rs 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 Rs 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 Rs 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 Rs 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
2019-2020	99,99,996	1,95,438	1,01,95,434
2020-2021	99,99,996	2,13,774	1,02,13,770
2021-2022	99,99,996	2,33,831	1,02,33,827
2022-2023	99,99,996	40,927	1,00,40,923
2023-2024	99,99,996	-	99,99,996
2024-2025	99,99,996	-	99,99,996
2025-2026	76,82,658	-	76,82,658
Total	6,76,82,634	6,83,970	6,83,66,604

Terms of repayment of borrowings

Particulars	Maturity Date	Terms of Repayment	interest rate
Secured Term Loan from Bank	Rupee Loans 30th September 2025	Monthly Installment	11.45%
Secured Vehicle loans from Bank	Rupee Loans 05th May 2022	Monthly Installment	10.01%

Note No 15(a)			
OTHER FINANCIAL LIABILITIES			
Particulars	As at March 31 st, 2019		As at March 31st, 2018
Current Maturities of Long Term Debt		1,01,95,434	1,05,17,235
Mobilization Advance from Customers			34,05,815
Total		<u>1,01,95,434</u>	<u>1,39,23,050</u>



Note No 16		
DEFERRED TAX LAIBILITY (NET)		
The balance of deferred tax comprises temporary differences attributable to:		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Deferred Tax Liability		
Property, plant and equipment and intangible assets	2,46,65,197	2,76,78,768
Total	<u>2,46,65,197</u>	<u>2,76,78,768</u>
Deferred Tax Assets		
Defined Benefit Obligation	11,59,876	11,68,676
Total	<u>11,59,876</u>	<u>11,68,676</u>
Deferred Tax Liability (Net)	<u>2,35,05,321</u>	<u>2,65,10,092</u>
Net Increase in Deferred Tax Liability		
Net Increase in Deferred Tax Liability Debited to Statement of Profit and Loss Account		

Taxation		
Income tax liabilities / (Income tax assets)		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Opening Balance	46352427	18869089
Income Tax Assets	21964660	27483338
Less: Refund Received	- -	-
Closing Balance	68317087	46352427

Income Tax Expenses		
Profit and Loss section	Year ended 31st March, 2019	Year ended 31st March, 2018
Current income tax charge		
Current income tax		
Current tax on profit for the current year	14,000	25,983
Adjustments for current tax of prior periods		1,07,974
Deferred tax	(21,36,179)	23,14,493
MAT Credit Entitlement	(30,04,773)	-
Income tax expense reported in the consolidated statement of Profit & Loss	(51,26,952)	24,48,450
Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2019 and 31st March, 2018		
Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Accounting profit/ (loss) before tax	80,98,833	(2,85,86,921)
Statutory income tax		-
Adjustments in respect of current income tax of previous years		-
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income		-
Deferred Tax expenses on previously unrecognized tax losses now recognized		-
Share of JV		25,983
Total		25,983

Note No 17		
LONG TERM PROVISIONS		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Provision for Employees Benefits *	19,15,295	13,76,936
Total	<u>19,15,295</u>	<u>13,76,936</u>
* As per Actuarial Valuation Certificate		

Note No 17 (a)			
SHORT TERM PROVISIONS			
Particulars	As at March 31 St 2019		As at March 31 St 2018
Provision for Employee Benefits*	25,45,765		23,17,218
Total	25,45,765		23,17,218
* As per Actuarial Valuation Certificate			
17.01 As per IND AS 19 "Employees Benefits" the disclosures of Employee Benefits as defined in the Accounting Standard are given below:			
Particulars	Year Ended March 31st, 2019		Year Ended March 31st, 2018
Defined Benefit Plan			
Employers contribution to Provident Fund, ESIC and Other Funds Defined Benefit Plan	8,33,681		8,24,312
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.			
	Gratuity (Non Funded)		Gratuity (Non Funded)
Reconciliation of Opening & Closing Balance of Defined Benefit Obligation			
Opening Defined Benefit Obligation	36,94,154		14,24,663
Transfer in/(out) obligation			
Current service cost	5,20,355		3,32,045
Interest cost	1,80,024		89,881
Components of actuarial gain/losses on obligations:			
Due to change in financial assumptions	49,923		(15,354)
Due to change in demographic assumptions	-		(87,599)
Due to experience assumptions	-		
Past service cost	16,604		19,50,518
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	-		
Closing Defined Benefit Obligation	44,61,060		36,94,154
	Year Ended March 31st, 2019		Year Ended March 31st, 2018
Expense recognised in Statement of Profit & Loss			
Service cost:			
Current service cost	5,20,355		3,32,045
Past service cost and loss/ (gain) on curtailments and settlements	-		19,50,518
Net interest cost	1,80,024		89,881
Total included in 'Employees Benefit Expense' charged to P & L	7,00,379		23,72,444
Actuarial Assumptions	31.03.2019		31.03.2019
Mortality Table (LIC)	LIC (1994-96)		LIC (1994-96)
	Published Table		Published Table
Discount Rate (per annum)	6.75		7.10%
Expected Rate of escalation in Salary (per annum)	6.50		6.50%
Amounts for the current & previous periods as follows			
Particulars	31.03.2019	31.03.2018	31.03.2017
Defined Benefit Obligation	44,61,060	36,94,154	14,24,663
Experience Adj on plan Liab Gain/(Loss)			(44,798)
Other Comprehensive Income for the current period	Particulars		31.03.2017
Components of actuarial gain/losses on obligations:			
Due to change in financial assumptions	49,923	(15,354)	78,997
Due to change in demographic assumption			
Due experience adjustments	16,604	(87,599)	8,970
Return on plan assets excluding amounts included in interest income			
Amounts recognized in Other Comprehensive Income	66,527	(1,02,953)	87,967



Note No 18		
SHORT TERM BORROWINGS		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Secured Loan		
Working Capital Loan from a Bank	10,20,26,903	10,04,35,740
unsecured Loan		
Pankaj B Shah -Loan A/c	42,25,000	-
Total	10,62,51,903	10,04,35,740
18.01 Working Capital Loan from a Bank to the extent of:		
(i) Rs. 10,20,26,903 /-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 third parties 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.		

Note No 19		
TRADE AND OTHER PAYABLES		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
TRADE AND OTHER PAYABLES		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	8,100	58,320
(B) Total Outstanding dues of creditors other than Micro and Small Enterprises	5,79,91,666	3,37,89,806
Total	5,79,99,766	3,38,48,126
Total Outstanding dues from creditors of Micro and Small Enterprises		
19.01 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 one creditor 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.and the same has been relied upon by the auditors.		
19.02 Total Outstanding dues of creditors other than Micro and Small Enterprises Includes Rs-1254938/- due to related parties.		

Particulars	As at March 31 st, 2019	As at March 31st, 2018
(a)(i) the principal amount	8100	58320
(a)(ii) interest due thereon remaining unpaid	<input type="checkbox"/>	<input type="checkbox"/>
(b) the amount of interest paid by the company in terms of section 16	<input type="checkbox"/>	<input type="checkbox"/>
(c)Interest due and payable for the period of delay in payment	<input type="checkbox"/>	<input type="checkbox"/>
(d) Interest accrued and remaining unpaid	<input type="checkbox"/>	<input type="checkbox"/>
(e) Interest remaining due and payable even in succeeding years	<input type="checkbox"/>	<input type="checkbox"/>

Note No 20		
OTHER CURRENT LIABILITIES		
Particulars	As at March 31 st, 2019	As at March 31st, 2018
Unclaimed Dividend *	83,917	1,48,923
Statutory Liabilities	9,56,60,863	7,56,42,266
Payable to JV/ share of other liabilities of JV	8,45,141	42,98,146
Deposits Received	5,46,400	3,66,400
Others **	6,48,82,407	4,79,08,418
Total	16,20,18,728	12,83,64,153

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

** Mainly includes payable to employees, joint ventures and provision for expenses etc.

*** Includes Unsecured loan of Rs-42,25000/- received from one director.

20.01 As per the order No.C. No. IV(16)/30-28/ST/Adj/NGP-I/2018/c/370 dt 31-12-2018 of Commissioner(service tax) Nagpur service tax liability of Rs.18.19 and equal Amount of penalty of Rs.18.19 lacs was determined as inadmissible due to CENVAT credit claimed in returns for the period 2007-2008 to 2011-2012. The Company has filed appeal against this Order with Tribunal and the company does not envisage any liability thereon.

Note No 21		
REVENUE FROM OPERATIONS		
Particulars	Year Ended March 31st, 2019	Year Ended March 31st, 2018
Income from Project Management and Consultancy Services	22,55,56,243	21,55,80,877
Total	<u>22,55,56,243</u>	<u>21,55,80,877</u>

Note:

Particulars	Year Ended March 31 st, 2019	Year Ended March 31st, 2018
Income from Project Management and Consultancy Services	26,97,75,575	21,92,06,311
Less: GST	(4,42,19,332)	36,25,434
Total	<u>22,55,56,243</u>	<u>21,55,80,877</u>

21.01 Revenue from Operations of Rs 2255.62 Lacs for the year ended March 31, 2019 is net of Consultancy Receipts of Rs 254.11 Lacs of earlier years reversed during the year. Corresponding GST of RS-47.28 lacs also been reversed.

Note No 22		
OTHER INCOME		
Particulars	Year Ended March 31 st, 2019	Year Ended March 31 st, 2018
Interest Income from financial assets carried at amortized cost:		
- Fixed Deposits	12,09,809	5,77,362
- Loan to Related Party (Refer Note no 35)	47,13,956	87,38,038
- Income on Debentures	<u>60,00,001</u>	58,51,057
Other Interest Income on:		
- Income Tax Refund		11,34,250
- On Arbitration Award		55,92,159
- Income from Mobilization Advance	1,19,23,765	<u>4,28,188</u>
Rent Income	5,82,000	9,48,000
Miscellaneous Income	7,53,484	5,32,163
Bonus payable (earlier years) written back		10,94,617
Provision for Doubtful Advances		5,17,438
Total	<u>1,32,59,249</u>	<u>2,54,13,272</u>

Note No 23		
PROJECT EXPENSES		
Particulars	Year Ended March 31 st, 2019	Year Ended March 31 st, 2018
Site & Survey Expenses	7,20,190	89,42,547
Power & Electricity	15,50,124	12,02,021
Rent	76,54,863	51,36,651
Insurance	6,25,501	6,42,015
pro.site printing & stationary	3,45,800	
Travelling & Conveyance:		
Site Taxi Hire Charges	2,09,52,272	1,42,75,981
Others	<u>4,69,358</u>	<u>81,71,860</u>
Communication Expenses	1,53,156	13,02,150
Computer & Software Expenses	-	5,42,706
Repairs & Maintenance:	8,53,210	
Buildings		11,22,653
Plant and Equipments		7,44,978
Others	2,01,235	18,45,947
Total	<u>3,35,25,709</u>	<u>4,39,29,509</u>

Note No 24		
RETAINERS AND CONSULTANCY FEES		
Particulars	Year Ended March 31 st, 2019	Year Ended March 31 st, 2018
Retainership Fees	2,02,73,428	2,03,24,575
Consultancy Fees	3,24,73,394	7,04,76,207
Total	<u>5,27,46,822</u>	<u>9,08,00,782</u>



Note No 25		
CHANGE IN INVENTORIES OF WORK IN PROGRESS		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Closing Inventories		
Work in Progress	2,56,94,763	82,58,392
Opening Inventories		
Work in Progress	-	-
(Increase) / Decrease in Inventories	<u>(1,74,36,371)</u>	<u>(82,58,392)</u>

Note No 26		
EMPLOYEE BENEFITS EXPENSE		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Salaries, Wages and Allowances	9,47,69,941	7,38,94,912
Contribution to PF and other Funds	8,33,681	8,24,312
Gratuity Expenses	7,24,812	23,72,444
Welfare and other Amenities	22,78,959	18,88,598
Total	<u>9,86,07,392</u>	<u>7,89,80,266</u>

Note No 27		
FINANCE COST		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Interest Expenses	3,44,37,950	4,28,66,339
Other Borrowing Costs	17,71,265	16,35,519
Total	<u>3,63,63,813</u>	<u>4,45,01,858</u>

Note No 28		
DEPRECIATION AND AMORTIZATION EXPENSE		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Depreciation on property, plant and equipment	81,72,058	79,29,107
Depreciation on investment property		46,343
Amortization of Intangible Assets (Computer Softwares)	2,61,345	1,86,162
Total	<u>84,33,403</u>	<u>81,61,612</u>

Note No 29		
OTHER EXPENSES		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2019
Rates & Taxes	9,99,070	3,61,742
Printing & Stationery	8,66,216	14,39,714
Legal & Filing Fees	1,36,407	19,42,209
Tender Expenses	5,22,260	2,94,350
Travelling & convence	68,93,486	-
Electricity Charges		2,48,026
repaires & maintenance	35,06,027	-
Advertisement & Sales Promotion	1,07,803	51,030
Payment to Auditors	12,47,875	9,86,000
communication	7,93,491	
Donations	4,500	40,600
computer & software	5,79,827	
GST 2017-18	(1,42,547)	
Accounts Written Back		8,72,203
Loss on Sale / Discarded of Fixed Assets (Net)		27,620
Miscellaneous Expenses	29,61,475	52,01,941
Total	<u>1,84,75,890</u>	<u>1,14,65,435</u>

29.01 Breakup of Payment to Auditors		
Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Audit Fees	11,00,000	8,20,000
Tax Audit Matters	1,00,000	1,00,000
certification & Other Matters	47,875	66,000
Total	<u>12,47,875</u>	<u>9,86,000</u>

Note No 30
DETAILS OF PRIOR PERIOD EXPENDITURE DEBITED TO STATEMENT OF PROFIT AND LOSS ACCOUNT

The Prior Period expenses, since not considered material by the management , no adjustment in previous years figures as per IND AS 8 are required and the same are accounted in the current year.

Note No 31
EARNING PER SHARE

Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
Net Profit/(Loss) after tax attributable to equity shareholders	1,31,59,259	(3,09,32,418)
Weighted average number of equity shares outstanding (Nos)	55,25,000	55,25,000
Basic & Diluted Earnings per Share of Rs 10/- each	2.38	(5.60)

NOTE 32
CONTINGENT LIABILITIES
(To the extent not provided for)

Particulars	Year Ended Mar 31 st, 2019	Year Ended Mar 31 st, 2018
(I) Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation.)	6,09,94,120	4,10,07,443
(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)	6,92,106	6,92,106
(iii) Appeal filed in respect of disputed demand of Service Tax	18,19,000	46,30,000
(iv) Apperal filed in respect of disputed demand of income tax.	23,09,910	-

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, 2019

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. Ashok Karwa - 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.

d) Koradi minerals pvt ltd

e) Glowide infrastructure pvt ltd

ARTEFACT PROJECTS LIMITED

Notes to the Financial Statements for the year ended March 31st, 2019

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
Non Current Investments					
Closing Balance as on 31st March, 2019	-	-	-	90,00,000	90,00,000
	(-)	(-)	(-)	(90,00,000)	(90,00,000)
Revenue from Operations					
Income from Project Management and Consultancy	-	-	-	-	-
	(-)	(19,87,281)	(-)	(-)	(19,87,281)
Other Income					
Interest on Loans	-	-	-	47,13,956	47,13,956
	-	(-)	(-)	(47,13,956)	(47,13,956)
Security Deposits					
Balance as on 31 st March 2019	-	-	-	1,02,000	1,02,000
	(-)	(-)	(-)	(1,02,000)	(1,02,000)
Long Term Loans and Advances					
Balance as on 31st March 2018	-	6,57,104	-	-	6,57,104
	(-)	(10,81,374)	-	(-)	(10,81,374)
Short Term Loans & Advances					
Opening balance	-	1,37,03,584	-	-	1,37,03,584
	(13,66,53,070)	(1,89,61,906)	1,36,14,002	2,73,17,586	(11,46,83,388)
Given during the year	-	-	(7,52,28,451)	(9,41,90,357)	(16,94,18,808)
	(7,18,16,888)	3,19,71,462	-	-	(3,98,45,426)
Received during the year	-	(22,53,77,810)	2,839	3,19,74,301	(19,34,00,670)
	(5,30,11,507)	-	(6,000)	(22,53,83,810)	(27,84,01,317)
Balance as on 31st March 2018	-	2,58,08,820	-	-	2,58,08,820
	(-)	(23,05,63,407)	2,96,78,402	5,54,87,222	(14,53,97,783)
Trade Receivables					
Balance as on 31st March 2018	-	1,51,82,926	(6,16,20,449)	(29,21,83,856)	(33,86,21,379)
	(-)	(1,37,76,309)	1,60,61,561	3,12,44,487	3,35,29,739
	(-)	-	(1,36,14,002)	(2,73,90,311)	(4,10,04,313)
Employee Benefits Expenses					
Payment of Salaries & Allowance (Refer Note (i) below Note No.31 (C))	-	5,96,91,235	-	5,96,91,235	5,96,91,235
	(-)	(5,96,91,235)	(-)	(5,96,91,235)	(5,96,91,235)
Sale of Shares of Erstwhile Wholly Owned Subsidiary					
	-	-	-	45,22,232	45,22,232
	(-)	(-)	(-)	(39,01,698)	(39,01,698)
-Interest on Short Term Borrowing					
	-	(43,07,184)	-	-	(43,07,184)
	(-)	(43,46,757)	-	(43,07,184)	(86,53,941)
Other current liabilities					
	-	-	20,54,088	20,54,088	41,08,176
	(-)	-	(29,11,827)	(29,11,827)	(58,23,654)
Repair and Maintenance					
	-	-	-	30,75,000	30,75,000
	(-)	(-)	(-)	(51,00,000)	(51,00,000)
Indirect Expenses					
Professional Consultancy Fees	-	-	-	-	-
	(-)	(-)	(53,50,750)	(-)	(53,50,750)

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

ARTEFACT PROJECTS LIMITED

Notes to the Financial Statements for the year ended March 31st, 2019

C. Details of major transactions during the year with Related Parties :																																																																			
Particulars	Name of Parties	year Ended 31.03.2019 (Amount In Rs.)	year Ended 31.03.2018 (Amount In Rs.)																																																																
Non Current Investments as on 31st March 2019																																																																			
- in Equity Shares	Artefact Infrastructure Ltd	90,00,000	90,00,000																																																																
	Koradi minerals pvt ltd	6,50,00,000	-																																																																
	Glowide infrastructure pvt ltd	5,50,00,000	-																																																																
- in Optionally Convertible Debentures	Artefact Infrastructure Ltd	-	-																																																																
Security Deposit																																																																			
- Balance as on 31st March 2019	Artefact Tower Association	1,02,000	1,02,000																																																																
Long Term Loans and Advances																																																																			
- Balance as on 31st March 2019	Pankaj B. Shah	42,25,000	-																																																																
	Sheladia Associates Inc.-Artefact Projects-Zaidun	-	-																																																																
	Leeng Sdn. Bhd.	6,57,104	6,57,104																																																																
Short Term Loans & Advances																																																																			
Opening Balance as on 1st April 2018	Zaidun Leeng Sdn. Bhd.- Artefact Projects	90,20,284	1,42,83,606																																																																
	Sheladia Associates Inc.-Artefact Projects-Zaidun	-	-																																																																
	Leong Sdn. Bhd.	46,83,300	46,78,300																																																																
	Artefact Tower Association	(49,746)	-																																																																
	Renaissance IOT LLP	50,000	-																																																																
	Artefact Infrastructure Ltd	1,36,14,002	7,52,28,451																																																																
Given during the period																																																																			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	3,19,71,462	22,53,72,810																																																																
	Sheladia Associates Inc.-Artefact Projects-Zaidun	-	-																																																																
	Leong Sdn. Bhd.	-	5,000																																																																
	Artefact Infrastructure Ltd	24,47,559	6,000																																																																
	Artefact Tower Association	1,30,46,843	-																																																																
	Renaissance IOT LLP	37,20,000	50,000																																																																
	Artefact Infrastructure Ltd	-	-																																																																
Received during the period																																																																			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	2,58,08,820	23,05,63,407																																																																
	Renaissance IOT LLP	7,00,000	-																																																																
	Artefact Infrastructure Ltd	1,60,61,561	6,16,20,449																																																																
Balance as on 31st March-2019																																																																			
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	1,51,82,926	90,93,008																																																																
	Renaissance IOT LLP	30,70,000	-																																																																
	Artefact Tower Association	12,54,938	-																																																																
	Sheladia Associates Inc.-Artefact Projects-Zaidun	-	-																																																																
	Leeng Sdn. Bhd.	46,83,300	46,83,300																																																																
	Artefact Infrastructure Ltd	-	1,36,14,002																																																																
Trade Receivables																																																																			
- Balance as on 31st March-2019	Zaidun Leeng Sdn. Bhd.- Artefact Projects	5,81,19,045	5,81,19,045																																																																
	Sheladia Associates Inc.-Artefact Projects-Zaidun	-	-																																																																
	Leeng Sdn. Bhd.	15,72,190	15,72,190																																																																
Other current liabilities																																																																			
	Meinhardt Singapore Pte. Ltd. - Artefact Projects	49,087	49,087																																																																
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	42,97,669	42,97,669																																																																
Revenue from Operations																																																																			
- Income from Project Management and Consultancy Services	Zaidun Leeng Sdn. Bhd.- Artefact Projects JV	-	-																																																																
	Rising Minerals & Metals LLP	-	-																																																																
Interest Income																																																																			
Interest on Loans	Artefact Infrastructure Ltd	3,99,020	61,62,992																																																																
	Koradi minerals pvt ltd	43,14,936	-																																																																
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Name of Parties</th> <th style="text-align: center;">year Ended 31.03.2019 (Amount In Rs.)</th> <th style="text-align: center;">year Ended 31.03.2018 (Amount In Rs.)</th> </tr> </thead> <tbody> <tr> <td colspan="4">Employee Benefits Expenses</td> </tr> <tr> <td colspan="4">- Payment of Salaries & Allowance</td> </tr> <tr> <td colspan="4">(Refer Note (i) below Note No.31 (C))</td> </tr> <tr> <td></td> <td>Mr. Manoj B. Shah</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td>Mr. Pankaj B. Shah</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td></td> <td>Mr. Siddharth P Shah</td> <td style="text-align: right;">12,00,000</td> <td style="text-align: right;">12,00,000</td> </tr> <tr> <td></td> <td>Miss Ankita Shah</td> <td style="text-align: right;">12,00,000</td> <td style="text-align: right;">12,00,000</td> </tr> <tr> <td></td> <td>Mr. Ashok Karwa</td> <td style="text-align: right;">10,33,710</td> <td style="text-align: right;">11,96,693</td> </tr> <tr> <td></td> <td>Mis. Shilpa Bhargava</td> <td style="text-align: right;">3,68,337</td> <td style="text-align: right;">3,05,005</td> </tr> <tr> <td></td> <td>Miss. Snehal Jaiswal</td> <td style="text-align: right;">4,45,544</td> <td style="text-align: right;">-</td> </tr> <tr> <td colspan="4">Repair and Maintenance</td> </tr> <tr> <td></td> <td>Artefact Towers Association</td> <td style="text-align: right;">24,16,507</td> <td style="text-align: right;">29,11,827</td> </tr> <tr> <td colspan="4">Professional Consultancy Fees</td> </tr> <tr> <td></td> <td>Mr. Chetan B. Shah</td> <td style="text-align: right;">15,00,000</td> <td style="text-align: right;">2,40,00,000</td> </tr> <tr> <td></td> <td>Mr. Manoj B. Shah</td> <td style="text-align: right;">15,75,000</td> <td style="text-align: right;">2,70,00,000</td> </tr> </tbody> </table>				Particulars	Name of Parties	year Ended 31.03.2019 (Amount In Rs.)	year Ended 31.03.2018 (Amount In Rs.)	Employee Benefits Expenses				- Payment of Salaries & Allowance				(Refer Note (i) below Note No.31 (C))					Mr. Manoj B. Shah	-	-		Mr. Pankaj B. Shah	-	-		Mr. Siddharth P Shah	12,00,000	12,00,000		Miss Ankita Shah	12,00,000	12,00,000		Mr. Ashok Karwa	10,33,710	11,96,693		Mis. Shilpa Bhargava	3,68,337	3,05,005		Miss. Snehal Jaiswal	4,45,544	-	Repair and Maintenance					Artefact Towers Association	24,16,507	29,11,827	Professional Consultancy Fees					Mr. Chetan B. Shah	15,00,000	2,40,00,000		Mr. Manoj B. Shah	15,75,000	2,70,00,000
Particulars	Name of Parties	year Ended 31.03.2019 (Amount In Rs.)	year Ended 31.03.2018 (Amount In Rs.)																																																																
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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 Rs 31st March, 2018 is Rs. 44,069,702 (Previous year Rs.51,951,718) and Rs. 39,581,682 (Previous Year Rs. 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 Rs. 10,648,587 (Previous Year Rs. 14,022,228), Rs. 10,551,533 (Previous Year Rs. 13,839,193) and Rs. 97,054 (Previous Year Rs. 183,035) respectively. The figures have been incorporated based on the audited financial statements received from the jointly controlled operations.
- (iii) The Company's share in the total value of the assets and liabilities as at Rs 31.03.2015 is Rs. 8,19,52,427 (Previous year Rs.98,371,772) and Rs. 7,02,26,447 (Previous Year Rs. 80,936,746) respectively and in the income, expenditure and net profit/(Loss) before tax for the year ended 31.03.2015 of the above Joint Ventures amounts to Rs. 14,05,696 (Previous Year Rs.53,749), Rs. 9,08,672 (Previous Year Rs.54,08,406) and Rs. 4,97,023 (Previous year Rs.(5,354,658)) 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:

- a. To Artefact Infrastructure Limited (AIL), closing balance as on 31st March, 2019 is Rs. 0 (Previous year Rs. 1,36,14002). Maximum balance outstanding during the year was Rs.13616841 (Previous year Rs. 90,891,699).
- b. As per the Company's policy loans to employees are not considered in 'a' above.

NOTE 38

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 39

Balances under sundry creditors, imprest accounts ,sundry debtors,salary payable and loans and advances are subject to confirmation from the said parties.

NOTE 40

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

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

For and on behalf of Board of Directors

SUDESH BANTHIA
 Partner
 Membership No. 041344
 Nagpur, May 30th , 2019

SIDDHARTH P SHAH
 Director
 DIN: 05304116

SANDEEP BATTA
 Director
 DIN: 02220509

SHILPA BHARGAVA
 Company Secretary
 Membership No. 36207
 Nagpur, May 30th, 2019

ASHOK KARWA
 Chief Financial Officer



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

PART "B" : ASSOCIATES AND JOINT VENTURES

(Amount in Rs.)

Sr. No.	Particulars	Zaidun Leeng Sdn Bhd - Artefact Projects Ltd. (JV)	Meinhardt Singapore Pte Ltd - Artefact Projects Ltd. (JV)	Sheladia Associates Inc - Zaidun Leeng Sdn Bhd - Artefact Projects Ltd (JV)
1	Latest Audited Balance Sheet date	31st March, 2019	31st March, 2019	31st March, 2019
2	Shares of joint venture held by the Company	N. A	N. A	N. A
3	Nos.	N. A	N. A	N. A
4	Amount of Investment in Associates	N. A	N. A	N. A
5	Extend of Holding %	60%	95%	65%
6	Description of how there is significance influence	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	Reason why the associate is not consolidated	N. A	N. A	N. A
8	Networth attributable to Shareholding as per latest audited Balance sheet	(7,520,682)	(4,876)	644,828
9	Profit / Loss for the year	(333,333)	(11,368)	(18,886)
	i) Considered in the Consolidation	(200,000)	(10,800)	(12,276)
	ii) Not considered in the consolidation	(133,333)	(568)	(6,610)

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 of
Artefact Projects Limited

Sd/-
SIDDHARTH P. SHAH
Whole Time Director
DIN: 05304116

Sd/-
ANKITA SHAH
Director
DIN: 06772621

Sd/-
ASHOK KARWA
Chief Financial Officer



ARTEFACT PROJECTS LIMITED
(CIN: L65910MH1987PLC044887)

Regd. office: Block No. 106, 3rd Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440 015.

Phone No.: +91-712-7197100; Fax No. +91-712-7197120; Website: www.artefactprojects.com
 Email: shareholders@artefactprojects.com, artefactnagpur@gmail.com

ATTENDANCE SLIP

31ST ANNUAL GENERAL MEETING ON MONDAY, 30TH SEPTEMBER, 2019

Registered Folio/ DP ID & Client ID			
Name and Address of the shareholder(s)			
Joint Holder 1 Joint Holder 2			
No. of shares held			
I/we hereby record my/our presence at the 31 st Annual General Meeting of the Members of the Company held at Block No. 106, 3 rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015 on Monday, 30 th September, 2019 at 11.00 a.m.			
<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; text-align: center;"> <hr/> Member's / Proxy's name (in Block Letters) </td> <td style="width: 50%; text-align: center;"> <hr/> Member's /Proxy's Signature </td> </tr> </table>		<hr/> Member's / Proxy's name (in Block Letters)	<hr/> Member's /Proxy's Signature
<hr/> Member's / Proxy's name (in Block Letters)	<hr/> Member's /Proxy's Signature		
<p>Note:</p> <p>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.</p> <p>2. Please read the instructions for e-voting given along with the Notice. The Voting period starts from Friday, 27th September, 2019 (9.00 a.m.) and ends on Sunday, 29th September, 2019 (5.00 p.m.). The voting module shall be disabled by CDSL for voting thereafter.</p>			

Note: PLEASE BRING THE ABOVE ATTENDANCE SLIP TO THE MEETING HALL.



ARTIFACT PROJECTS LIMITED
 (CIN: L65910MH1987PLC044887)

Regd. office: Block No. 106, 3rd Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440 015.
 Phone No.: +91-712-7197100; Fax No. +91-712-7197120; Website: www.artifactprojects.com
 Email: shareholders@artifactprojects.com, artifactnagpur@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]

31st ANNUAL GENERAL MEETING ON MONDAY, 30th SEPTEMBER, 2019

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 falling him/her;

(2) Name _____

Address _____

Email Id: _____ Signature _____ or falling 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 31st Annual General Meeting of the Company to be held on Monday, 30th September, 2019 at 11.00 a.m. at Block No. 106, 3rd Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur - 440 015 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
Ordinary Business:				
1	Ordinary Resolution for adoption of Audited Financial Statements of the Company for the year ended 31 st March, 2019 along with Board's Reports and Auditors' Report thereon.			
2	Ordinary Resolution for appointment of a director in place of Mrs. Ankita Shah (DIN: 06772621), Director, who retires by rotation and being eligible, offers herself for re-appointment.			
Special Business:				
3.	Ordinary Resolution for Approval of related party transactions.			
<p>Signed this _____ day of _____, 2019</p> <p>Signature of shareholder _____</p> <p>Signature of Proxy holder(s) _____</p> <div style="border: 1px solid black; width: fit-content; margin-left: auto; padding: 5px;"> Affix Revenue Stamp Rs. 1/- </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. 106, 3rd Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440 015

Phone No.: +91-712-7197100; Fax No. +91-712-7197120; Website: www.artefactprojects.com

Email: shareholders@artefactprojects.com, 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:

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

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, 1ST 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

Sd/-
Siddharth Shah
Whole-Time Director
(DIN: 05304116)



Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 on Financial Statements

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)
	1.	Turnover / Total income (Including Other Income)	2388.15	Refer „Details of Audit Qualification below’
	2.	Total Expenditure	2307.17	-do-
	3.	Net Profit/(Loss)	131.59	-do-
	4.	Earnings Per Share (in Rs.)	2.38	-do-
	5.	Total Assets	7589.90	-do-
	6.	Total Liabilities	7589.90	-do-
	7.	Net Worth	3367.72	-do-
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable
II.	Audit Qualification (each audit qualification separately):			
	a.Details of Audit Qualification:			
	<i>Attention is drawn to:</i>			
	<p>i) Note no. 3 to the accompanying statement of audited financial results, wherein the management of the company has considered trade receivables from Government clients amounting to Rs. 686.02 Lacs as good and recoverable. As per management the receivables are due from the Government Departments as per Express Contracts provisions of the agreement and hence are considered good and recoverable and no provision is required. In absence of any balance confirmation of clients, we are unable to comment the exact extent to which these balances shall be recoverable.</p> <p>ii) Note no.4 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 and legal recovery process.</p> <p>iii) Note No. 5 of financial statements as regards 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.5.88 crores on 31st March, 2019 to Company which have earned profits but have negative net worth.</p>			



b. Type of Audit Qualification : Qualified Opinion
c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing <ol style="list-style-type: none">1. Appearing Since financial year ended March 31, 2014.2. Appearing Since financial year ended March 31, 2014.3. Appearing Since financial year ended March 31, 2018.
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the auditor and hence it is not applicable.
e. For Audit Qualification(s) where the impact is not quantified by the auditor:
(i) Management's estimation on the impact of audit qualification as per Note No.3 <ol style="list-style-type: none">1. The trade receivables amounting to Rs. 686.02 lacs of completed projects are entirely from Government Authorities whose accounting system does not enable issue of any balance confirmation of unpaid Bills. The company has on record Received Bills and contractual compliances as per express provisions of agreement. The fact is supported by Clause No.6.4 (C) and Clause No.6.4 (d) of the Consultancy Contract executed with client. The debtors of completed contracts are Final Bills due and pending procedural compliances. Hence, the said debtors are considered recoverable in the normal course of business. Management is reasonably assured of its recovery.
(ii) Management's Statement on the impact of audit qualification as per Note No.4 <ol style="list-style-type: none">2. Management had paid sponsorship cost for higher studies at abroad for Engineering and Sponsored Engineer is yet to render services of 2 years after completion of studies as per contract. The Management is taking Legal steps for its recovery during the ensuing financial year. Any provision required therefor shall be made by management on assessment of the progress of legal recovery.
(iii) Management's Statement on the impact of audit qualification as per Note No.5 <ol style="list-style-type: none">3. The Management of company feels that the investment in financial instruments being (CCDs) Compulsory Convertible Debentures and interest accrued there on amounting to Rs. 5.88 Crores shall be realized to the extent of investment. The investment is made as a long term strategic investment in mining assets assets of much higher value.
(ii) If management is unable to estimate the impact, reasons for the same: Not Applicable
(iii) Auditors' Comments on (i) (ii) or (iii) above: Refer "Basis for Qualified Opinion" in the Independent Auditor "Report dated May 30, 2019 on the Financial Results for the quarter and year ended March 31, 2019.

For Artefact Projects Limited

Siddharth Shah

(Whole Time Director)

Sandeep Batta

(Audit Committee Chairman)

Ashok Karwa

(Chief Financial Officer)

Refer our Independent Auditor's Report dated May 30, 2019 on the Financial Results for the quarter and year ended March 31, 2019 of the Company.

For **Banthia Damani & Associates**
Chartered Accountants
(Firm Registration No. – 126132W)

Sudesh Banthia
Partner
Membership No. – 041344

Place: Nagpur
Date : May 30, 2019



Key Managerial Personnel & Leadership Team

Sr. No.	Name of Key Professionals	Designation
1.	Mr. Siddharth Shah	Whole Time Director
2.	Mrs. Ankita Shah	Non -Executive Director
3.	Mr. Sandeep Batta	Independent Director
4.	Mrs. Meena Gupta	Independent Director
5.	CA Ashok Karwa	Chief Financial Officer
6.	Mr. Arif Zafar	Road Safety Expert
7.	Mr. Amarendra Jaltare	Senior Bridge Design Engineer
8.	Mr. S. K. Bhargava	Contract Specialist
9.	Mr. Prateek Thakkar	Environmental Specialist
10.	Mr. Santosh Akotkar	Senior Quantity Surveyor
11.	Mr. Mohammad Abdul Aleem Arzoo	Team Leader cum Senior Highway Eng.
12.	Mr. Arun Deo Verma	Bridge / Structural Engineer
13.	Mr. A.K. Goyal	Team Leader
14.	Mr. D. Nagendra Rao	Senior Quality Cum Material Expert
15.	Mr. Indra Deo Modi	Team Leader
16.	Mr. Ramashankar Jha	Team Leader
17.	Mr. Himanshu Dhari Sharma	Senior Quality cum Material Engineer
18.	Mr. Jivan Nikose	Senior Bridge Design Engineer
19.	Mr. Mahendra Suryawanshi	Team Leader
20.	Mr. A.K. Shrivastav	Team Leader
21.	Mr. Ajit Kumar Agrawal	Bridge Structural Engineer
22.	Mrs. Snehal Jaiswal	Company Secretary & Compliance Officer
23.	Mrs. Pooja Parekh	Manager- Human Resources
24.	Mr. Pravin Mawale	Manager- Admin
25.	Mr. Mahendra Chakole	Manager- Tender
26.	Mr. Pramod Wadibhasme	Manager- Highway
27.	Mr. Subhash Kolhekar	Manager- Electrical Engineer
28.	Mr. Sameer Rokde	Manager- Highway
29.	Mr. Chandrashekhar Baseshankar	Senior Manager-Accounts
30.	Mr. Tapan Suryawanshi	Manager- EDP



Artefact Projects Ltd.

Excellence in Infrastructure Services

Registered Office :

Block No. 106, 3rd Floor, Artefact Towers, 54/3, Chhatrapati Square, Wardha Road,
Nagpur - 440015, Maharashtra, India.