



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



**YEARS OF SERVICE & COMMITMENT**



**2019-20**  
**ANNUAL REPORT**



# **32<sup>ND</sup> ANNUAL REPORT 2019 – 20**

## **Board of Directors**

Mr. Siddharth P. Shah	Whole-Time Director
Mr. Pankaj B. Shah (Resigned w.e.f. 4 <sup>th</sup> May, 2019)	Non- Executive Director
Mrs. Ankita S. Shah (Upto 30 <sup>th</sup> June, 2019)	Executive Director
(w.e.f.1 <sup>st</sup> July,2019)	Non-Executive Director
Mr. Sandeep M. Batta	Independent Director
Mr. Sudhir P. Gupta (Resigned w.e.f. 19 <sup>th</sup> June, 2019)	Independent Director
Mrs. Meena Gupta (Appointed w.e.f. 24 <sup>th</sup> July, 2019 & Resigned w.e.f. 8 <sup>th</sup> November, 2019)	Independent Director
Mr. Kaustubh Paunikar (Appointed w.e.f. 26 <sup>th</sup> November, 2019)	Independent Director

## **Company Secretary & Compliance Officer**

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

## **Chief Financial Officer**

Mr. Ashok Karwa , FCA

## **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, 3<sup>rd</sup> 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 Agent**

Link Intime (India) Private Limited  
C-101, 1<sup>st</sup> floor,247 Park, LBS Road  
Vikhroli (West), Mumbai – 400 083  
Tel: +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**

	(Rs.in Lacs)				
FINANCIAL YEAR	2015-16*	2016-17*#	2017-18*#	2018-19*	2019-20*
<b>REVENUES :</b>					
Net Receipts from operations	1,598.42	2,301.34	2,155.81	2,255.56	3189.57
Other Income	134.80	231.72	254.13	132.59	162.49
<b>Total Income</b>	<b>1733.22</b>	<b>2,533.06</b>	<b>2,409.94</b>	<b>2,388.15</b>	<b>3352.05</b>
<b>EXPENDITURE:</b>					
Operating and Administrative Expenses	1,283.09	2,031.27	2,169.18	1859.19	2534.74
<b>Operating Profit</b>	<b>450.13</b>	<b>501.79</b>	<b>240.76</b>	<b>528.96</b>	<b>817.31</b>
Finance Cost	323.55	369.27	445.02	363.64	270.18
<b>PBDT</b>	<b>126.58</b>	<b>132.52</b>	<b>(204.26)</b>	<b>165.32</b>	<b>547.13</b>
Depreciation	80.56	80.45	81.62	84.33	101.52
<b>PBT</b>	<b>46.02</b>	<b>52.07</b>	<b>(285.88)</b>	<b>80.99</b>	<b>445.61</b>
Tax	45.05	31.66	24.48	(51.27)	86.42
<b>PAT</b>	<b>0.97</b>	<b>20.42</b>	<b>(310.36)</b>	<b>132.26</b>	<b>359.19</b>
Other Comprehensive Income (Net of Tax)	-	(0.88)	1.03	(0.67)	14.81
<b>Total Comprehensive Income for the period</b>	<b>-</b>	<b>19.54</b>	<b>(309.33)</b>	<b>131.59</b>	<b>374.00</b>
Dividend per share proposed (Rs.)	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

\* Standalone figures.

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

**BALANCE SHEET:**

	(Rs.in Lacs)				
FINANCIAL YEAR	2015-16*	2016-17*#	2017-18*#	2018-19*	2019-20*
<b>ASSETS</b>					
Net Block- Fixed Asset-Own	2,287.35	2,227.60	2,185.28	2119.17	1703.55
Investments ( Incl. JVs)	490.00	1,090.00	1,290.00	1,290.00	1290.00
Long Term Loans and Advances	747.30	-----	-----	-----	-----
Other Non Current Assets	-----	528.54	589.58	768.10	28.33
<b>Net Current Assets</b>	<b>2,083.60</b>	<b>1,623.69</b>	<b>1138.16</b>	<b>1085.03</b>	<b>2154.12</b>
Miscellaneous Expenditure (to the extent not w/off)	-----	-----	-----	-----	-----
<b>TOTAL ASSETS</b>	<b>5,608.25</b>	<b>5,469.83</b>	<b>5,203.02</b>	<b>5,262.30</b>	<b>5176.00</b>
<b>LIABILITIES</b>					
Equity Share Capital	552.50	552.50	552.50	552.50	558.00
Reserves & Surplus	2,973.42	2,992.95	2,683.62	2815.22	3249.49
Application Money Pending Allotment	-----	-----	-----	-----	-----
Convertible Share Warrants	-----	-----	-----	-----	-----
Minority Interest	-----	-----	-----	-----	-----
Secured Loans	1,851.29	1671.34	1688.02	1598.13	950.69
Unsecured Loans	-----	-----	-----	42.25	-----

Deferred tax liability	222.89	241.96	265.10	235.05	240.59
Other Long Term Liabilities	-----	-----	-----	-----	-----
Long Term Provisions	8.15	11.08	13.77	19.15	37.23
<b>TOTAL NET WORTH</b>	<b>3,525.92</b>	<b>3,545.17</b>	<b>3,236.12</b>	<b>3367.72</b>	<b>3947.49</b>
<b>TOTAL LIABILITY</b>	<b>5,608.25</b>	<b>5469.83</b>	<b>5,203.02</b>	<b>5,262.30</b>	<b>5176.00</b>

\* Standalone figures

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

## FINANCIAL RATIOS

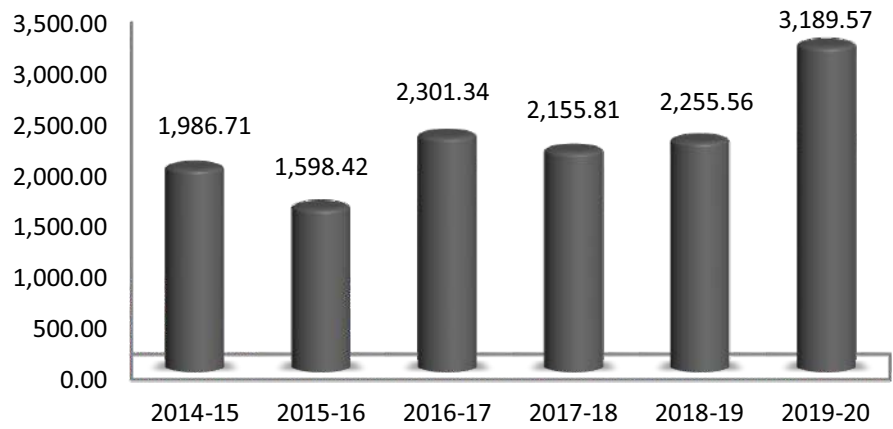
	2016	2017	2018	2019	2020
Operating Ratio	28.16%	21.76%	11.17%	23.45%	25.62%
PBIDT Ratio	25.97%	19.77%	-9.47%	22.66%	24.38%
PBT Ratio	2.88%	2.22%	-13.26%	3.59%	13.29%
PAT Ratio	0.06%	0.83%	-14.39%	5.86%	10.71%
Net Worth	3,525.92	3,545.17	3,236.12	3367.72	3947.49
Return on Equity (PBT/Equity)	1.30%	1.44%	-8.83%	2.40%	6.38%
Interest Coverage Ratio	1.40	1.35	0.54	1.24	3.02
Debt Equity Ratio (Secured Loan/Equity)	0.52	0.47	0.52	0.47	0.24
EPS (Basic)*	0.02	0.35	(5.60)	2.38	6.58
EPS (Diluted)*	0.02	0.35	(5.60)	2.38	6.58

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

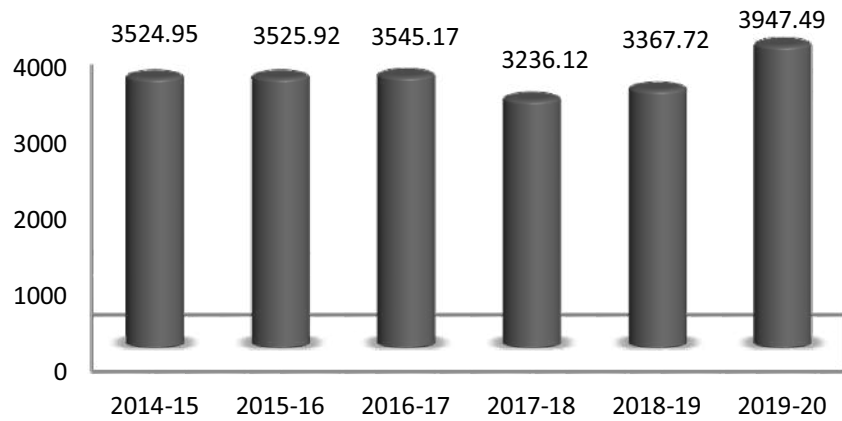
\* EPS is calculated after considering the effect of Goodwill and Minority Interest.



### Net Receipts from Operations



### Net Worth



# ARTEFACT PROJECTS LIMITED

CIN: L65910MH1987PLC044887

**Reg. Office:** Block No. 106, 3<sup>rd</sup> Floor, Artefact Towers, 54/3, Chhatrapati Square, Wardha Road,  
Nagpur- 440015

Tel: +91712-7197100 Fax: +91712-7197120

**Email:** [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com) **Website:** [www.artefactprojects.com](http://www.artefactprojects.com)

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## NOTICE

Notice is hereby given that the 32<sup>nd</sup> (Thirty Second) Annual General Meeting (AGM) of the members of the Company will be held on Wednesday, 30<sup>th</sup> September 2020 at the registered office of the Company at 11.00 A.M. at Block No. 106, 3<sup>rd</sup> Floor, “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015 alongwith Video Conference (VC) and Other Audio Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2020 together with the Boards’ Report and Auditors’ Report thereon;
2. To appoint a Director in place of Mr. Siddharth Shah (DIN: 05304116), Director who retires by rotation and being eligible, offers himself for re-appointment;

### SPECIAL BUSINESS:

3. **APPOINTMENT OF MR. KAUSTUBH PAUNIKAR (DIN: 08621592) AS AN INDEPENDENT DIRECTOR OF THE COMPANY.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV of the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Kaustubh Paunikar (DIN: 08621592), who was appointed as an Additional (Independent) Director of the Company w.e.f. 26<sup>th</sup> November, 2019 pursuant to the provisions of Section 161 of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014 and in accordance with the provisions of Articles of Association of the Company, and holds office upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from member under section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office as such upto 25<sup>th</sup> November, 2025 who shall not be liable to retire by rotation.



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

**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: 1<sup>st</sup> September, 2020**

**Registered Office:**

Block No. 106, 3<sup>rd</sup> Floor,

"Artefact Towers",

54/3, Chhatrapati Square,

Wardha Road, Nagpur - 440 015

Maharashtra



**NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
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. In respect of Resolutions at Item No. 3, a statement giving additional information on the Directors being appointed as Independent Director is annexed hereto as required under SEBI Listing Regulations, as amended, read with Secretarial Standard – 2 on General Meetings.
3. 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.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The Company has engaged services of Link Intime (India) Private Limited to provide the e-voting facility.
5. The facility for voting through polling paper shall also be made available at the venue of the 32<sup>nd</sup> AGM. The members attending the meeting, who have not already cast their vote through e-voting/VC and OAVM shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through e-voting/VC and OAVM may attend the meeting but shall not be entitled to cast their vote again at the AGM.



6. 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 VC/OAVM and poll papers at the AGM in a fair and transparent manner.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
9. Corporate members are requested to send their duly certified copy of the Board Resolution pursuant to Section 113 of the Companies Act, 2013 (“the Act”) authorizing their representative to attend and vote at the Annual General Meeting (including through remote e-voting) or any adjournment thereof.
10. Members/Proxies attending the meeting in Physical are requested to bring duly filled Attendance Slip along with their copy of Annual Report at the time of the Meeting.
11. 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 Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (both days inclusive).
12. In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20<sup>th</sup> April, 2018 read with SEBI press release PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018, effective from 1<sup>st</sup> 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.
13. 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 AGM.
14. 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).



15. 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.
16. 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.
17. 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.
18. 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.
19. 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 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government.
20. 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 the in respect of which dividend has remained unpaid or unclaimed for 7 (seven) consecutive years or more to IEPF Authority.

The Company has transferred 43885 shares in respect of which dividend declared for the financial year 2011-12 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](http://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/>.

21. 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>

22. 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.

23. 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.
24. Route Map for the venue of the proposed 32<sup>nd</sup> 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](http://www.artefactprojects.com)
25. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM for the shareholders attending the AGM through VC/OAVM.
26. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.artefactprojects.com](http://www.artefactprojects.com). The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. [www.evotingindia.com](http://www.evotingindia.com)
27. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or CDSL / NSDL (“Depositories”). Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website [www.artefactprojects.com](http://www.artefactprojects.com) websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com).
28. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Sunday, 27<sup>th</sup> September, 2020 (09:00 am) and ends on Tuesday, 29<sup>th</sup> September, 2020 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Wednesday, 23<sup>rd</sup> September, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Shareholders 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)  Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
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.  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).



- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant ”Artefact Projects Limited” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id i.e. rnthelpdesk@linkintime.co.in.

2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id i.e rnthelpdesk@linkintime.co.in.

**PROCESS AND MANNER FOR ATTENDING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “Company” and ‘Event Date’ and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.



## **INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the [shareholders@artefactprojects.com](mailto:shareholders@artefactprojects.com) for the Annual general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Only those shareholders who have registered themselves as a speaker will be allowed to express their views/ ask questions during the meeting.
4. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
5. Shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link Download - Webex (Members may also refer a tutorial video available on Webex - Download - Tutorial).
6. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
7. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
8. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
9. Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.

## **INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.



**Other Information:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

**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 Directors seeking re-appointment at the 32<sup>nd</sup> AGM is as follows:**

- 1. Mr. Siddharth Shah** a graduate in Engineering, B. Tech (Civil) and & M. Tech ( Traffic & Transportation) has undergone professional training with ‘Artefact Projects Limited’ in the immediate past. He has assisted and managed various highway projects, B.O.T. projects, Corporate Infrastructure Services, EDP tasks, Survey, Auto CAD etc. He has also worked on Integrated Wastewater Treatment Plan for residential township so as to develop an end to end system for reuse and recycling of water and treatment of waste water and its effect in terms of carbon footprint and Water Distribution System on EPANET (Mini Project) so as to carry on analysis of water distribution system and using EPANET software to provide a better network and reduce losses. Apart from above, he has also been an active charitable and social worker organizing involving himself into various tree plantation drives and blood donation camps
- 2. Mr. Kaustubh Paunikar** has done M.B.A (Master of Business Administration) in Marketing and Human Resource Management from Tirpude Institute of Management and Education, Nagpur. He is a Graduate in Commerce. He started his career with Om Satyam Buildcons Private Limited. Later, he joined Sula Vineyards Private Limited, Nagpur. He has an experience in the field of Marketing and Business Development.

<b>Name of Director</b>	Mr. Siddharth Shah	Mr. Kaustubh Paunikar
<b>DIN</b>	05304116	08621592
<b>Date of Birth / Age</b>	14.12.1991/28	03.10.1992/27
<b>Nationality</b>	Indian	Indian
<b>Date of appointment as director</b>	06.07.2013	26.11.2019
<b>Designation</b>	Whole time Director	Independent Director
<b>Qualification</b>	Engineering, B. Tech (Civil)	MBA (Master of Business Administration)
<b>Experience/Expertise</b>	He has experience in various highway projects, B.O.T. projects, Corporate Infrastructure Services, EDP tasks, Survey, Auto CAD etc	He has an experience in the field of Marketing and Business Development.



<b>Shareholding in the Company (Equity shares of Rs.10/- each)</b>	Nil	Nil
<b>List of Directorship held in other listed companies</b>	Nil	Nil
<b>List of Chairmanship and Membership in other listed Companies</b>	Chairman – NIL Member – NIL	Chairman – NIL Member – NIL
<b>Relationship with other directors of the Company</b>	Not related	Not related
<b>Number of Meetings attended</b>	8	1
<b>Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid</b>	Retirement by rotation	Not liable to retire by rotation
<b>Remuneration last drawn</b>	Rs. 12,00,000 p.a	Nil

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

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**ITEM NO.3:**

The term of Mr. Kaustubh Paunikar as an Additional (Independent) Director of the Company was for a period of 1 year with effect from 26<sup>th</sup> November, 2019, subject to approval of shareholders at ensuing Annual General Meeting. Mr. Kaustubh Paunikar, aged 27 years, is a MBA and has an experience in the field of Marketing and Business Development.

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

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

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

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

The appointment of Mr. Kaustubh Paunikar for second term requires approval of the members by Ordinary Resolution. The Board recommends the Ordinary Resolution as set out at item no. 3 of the Notice for approval of the shareholders.

Except Mr. Kaustubh Paunikar, 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: 1<sup>st</sup> September, 2020**

**Registered Office:**  
Block No. 106, 3<sup>rd</sup> Floor,  
"Artefact Towers",  
54/3, Chhatrapati Square,  
Wardha Road, Nagpur - 440 015  
Maharashtra



## LETTER FROM DIRECTOR

**Dear Shareholders,**

It is my privilege to write to you on this occasion of 32<sup>nd</sup> formation year of the Company. Artefact Projects Ltd. established in October, 1987. Your Company was Guided by the vision and advice of its Promoters who are business leaders and expert Project Professionals.

We continued our focus on our values, entrepreneurial agility, customer-centricity, and social responsibility – all of which are direct outcomes of the promoter’s vision and leadership. Building upon the accomplishments of the promoters is a humbling, and inspiring experience.

**“Hope can be a powerful force, especially in difficult times.”** Today, the world is facing the coronavirus crisis, a pandemic that has changed life for millions of people. It has permanently redefined the way of work and new life hereafter.

Your company prioritized the health and safety of its employees by fully adopting the preventive measures and guidelines issued from to time by the Central, State and Local authorities for the health and safety of all the employees. We switched to virtual meetings, work review and Work from Home during lockdown.

Our project sites located at remote rural locations are substantially operational.

We are witnessing massive shift for digitization, to collaborate for work on online platforms and to set a new norm of working. We are all progressing towards complete digitization which will be a big positive outcome of the pandemic.

It gives me pleasure to share with you an update on the performance of your Company for the year 2019-20. In this challenging business environment, your Company earned Gross Revenues from operations increased to Rs. 3352.05 lacs as compared to Rs.2388.15 Lacs in the last fiscal year. The increase was a substantial 40.4%. The PAT rose from Rs.132.25 lacs to Rs. 359.19 lacs (an increase of 171 %) even after making provision for Debt write off of Rs. 429 lacs during the year.

During the year, the company bagged Project Assignments orders of value of Rs. 19.75 crores in the year and was eligible for number of Projects bid by the company. It’s a benefit of Revenue Visibility of 1 year 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 Company plans to expand its presence in similar infrastructure verticals to ensure future growth alongwith financial consolidation.

We believe that the long term view on infrastructure growth shall remain positive.

To expand our potential, we intend to expand our presence in allied verticals in infrastructure Coming years. In 2019-20, the share price of Artefact rose from Rs.23.85/- upto Rs.52.45/- per share.

Our Endeavors shall be to now consolidate at each stage of growth milestones to increase the stakeholders’ value. We seek the Valuable Contribution of all our stakeholders to lead the Company’s business in future to greater heights.

Sincerely,

**Sd/-**  
**Siddharth Shah**  
**Whole Time Director**

Date : 1<sup>st</sup> September, 2020  
Place : Nagpur



**BOARD'S REPORT:**

To,

**The Members**

Your Directors present the 32<sup>nd</sup> Annual Report of the Company together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2020.

**FINANCIAL HIGHLIGHTS:**

(`In Lacs)

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>
Net Income from operation and other income	3352.05	2388.15
Profit before Depreciation & Amortization expenses, Finance Cost and tax (EBIDTA)	817.31	528.96
Less: Depreciation and Amortization Expenses	101.52	84.33
Finance Cost	270.18	363.64
Profit/(Loss) before tax	445.61	80.99
Less: Provision for tax	86.42	(51.27)
Profit/(Loss) after tax	359.19	132.26
Add: Other Comprehensive Income	14.81	(0.67)
Total Comprehensive Income	374.00	131.59
Balance of Surplus as per last Balance Sheet	1263.14	1131.78
Balance available for appropriation	1637.14	1263.37
Balance of profit carried to Balance Sheet	1637.14	1263.14

**2019-20 IN RETROSPECT:**

During the year, there is increase in Net Income as compared to the previous year mainly on account of revenues from new projects awarded and from fees of DPR projects.

**Manpower Cost:** The manpower cost of the Company has decreased by 6.24 % as compared to last year. The Manpower Cost was 57.13 % of Net receipts vs 63.37 % of last year.

**Administrative, Selling & Other Expenses:** The Administrative, selling and other expenses during the year of 4.87 % of Net Receipts has seen a decrease of 2.86% of Net Receipts as compared to last financial year.

**Project Expenses:** Project expenses have during the year of 11.08 % of Net Receipts have decreased compared to 14.04 % in previous year.

**Interest & Other Financial Charges:** Interest and other financial charges of Rs. 270.18 lacs for the year have decreased by Rs. 93.46 lacs mainly on account of repayment of Term Loan and reduction of interest thereon for part of the year.

**Depreciation:** The Depreciation is calculated as per statute.

#### **COVID 19 IMPACT ON BUSINESS OPERATIONS:**

The outbreak of COVID-19 pandemic has significantly impacted businesses around the world. The Government of India ordered a nationwide lockdown, initially for 21 days which was extended till August, 2020 to prevent community spread of COVID-19 in India. This has resulted in significant reduction in economic activities.

The operations of the Company were not materially impacted.

The Company is serving government clients like NHAI, Ministry of Road Transport, State Government Road Development Corporations and local bodies. These agencies have awarded long term contracts to the company which are time based and not directly linked with project progress. Hence, there is no break in services in continuing contracts. The company could provide services for its projects even during the lock down period.

The Company also took this opportunity to revamp its operations as per New Norms of working. It switched to virtual meetings, reviews and Work from home during lockdown. The site visits were carried out with permission of the authorities being essential services.

The Company has also undertaken and adopted the preventive measures and guidelines being issued by the Central, State and Local authorities for the health and safety of all the employees, as per the prescribed standard operating Procedure prescribed by Ministry of Home Affairs and Ministry of Health besides State Government and Local body guidelines.

#### **CAPITAL EXPENDITURE:**

During the year the Company has incurred a nominal capital expenditure of Rs.14.75 Lacs, mainly on addition of Equipment, Furniture, Computers and Software.



#### **DIVIDEND:**

In order to consolidate the financial position of the company to reduce debt and liabilities, 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:**

During the year under review, the Company had issued and allotted in aggregate 2,75,000 Equity Shares of Rs. 10/- each to Promoters at the issue price of Rs. 32/- including premium of Rs. 22/- per share, amounting to Rs. 88,00,000/- on Private placement basis .

The Company had also issued 14,75,000/- share warrants to Promoters (2,75,000 nos. of share warrants) and Non- Promoters (12,00,000 Nos. of Share warrants) at a issue price of Rs. 32/- including premium of Rs. 22/- per share, on receipt of initial share warrant subscription amount of Rs.118 Lacs equivalent to 25% of the warrant issue price as prescribed by the SEBI (ICDR) Regulations for allotment of the share warrants on preferential basis. The conversion option can be exercised by Warrantholder(s) at any time during the period of 18 (Eighteen) months from the date of allotment of equity warrants, in one or more tranches, as the case may be and on such other terms and conditions applicable.

After private allotment the paid up equity share capital of your Company as on 31<sup>st</sup> March, 2020 stood at Rs.5,80,00,000 /- (Rupees Five Crore and Eighty lakhs only) divided into 58,00,000 Equity shares of face value of Rs.10/- (Rupee Ten) each.

The increase in paid up share capital and premium proposed of total Rs 5.60 Crores will further augment its long term working capital resources .



#### **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](http://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, Mr. Siddharth Shah (DIN: 05304116), Director of the Company retires by rotation at the ensuing Annual General Meeting (‘AGM’) and being eligible, has offered himself 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).

Mrs. Meena Gupta (DIN: 02065061) who was appointed as an Additional (Independent) Director of the Company w.e.f. 24<sup>th</sup> July, 2019 resigned from the post of Directorship on 8<sup>th</sup> November, 2019 due to her personal unavoidable reasons. The Board expresses its appreciation for her valuable guidance during her association with the Company.

Mr. Kaustubh Paunikar (DIN: 08621592) was appointed as an Additional (Independent) Director of the Company for a term of 1 (One) year w.e.f. 26<sup>th</sup> November, 2019.

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 8 (Eight) 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:**

The Nomination and Remuneration Committee of the Board of the Company has devised a policy for performance evaluation of the Directors, Board and its Committees, which includes criteria for performance evaluation.

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of the committees of the Board. The Board performance was evaluated based on inputs received from all the Directors after considering the criteria such as Board Composition and structure, effectiveness of Board / Committee processes and information provided to the Board, etc.

#### **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 2019-20, 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 Company has complied with provisions of Section 186 of the Act, to the extent applicable with respect to Loans, Guarantees or Investments during the year. 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 an 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 II -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 II-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 Sensors and Energy saving devices, to avoid wastage of energy.
- ii. Implementing practices among Employees to conserve energy and follow its protocols.
- iii. Procurement of equipment with focus on energy efficient systems for greener energy.
- iv. Use of Solar Energy for reducing thermal energy usage and conserving energy.
- v. 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. Undertook upgradation to contemporary IT Hardware and Infrastructure to save time and costs.
- ii. Use of Internet leased lines for communication systems for quicker and transparent information systems.
- 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.
- v. The company commenced implementation of complete process automation and digitization to adopt to the new working norms.

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

**(Amount in Rs.)**

<b>Particulars</b>	<b>For the year ended 31<sup>st</sup> March, 2020</b>	<b>For the year ended 31<sup>st</sup> March, 2019</b>
Foreign exchange earned	Nil	Nil
Expenditure in foreign currency	Nil	Nil



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

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

**STATUTORY AUDITORS:**

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

**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 2019-20. The Secretarial Audit Report for the Financial Year under review is appended to this report as **Annexure III**.

**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 Internal Financial Controls.

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

Pursuant to Regulation 34(3) read with para C of 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 31<sup>st</sup> March, 2020, 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 IV**, which is appearing after the Financial Statements

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

#### **PERFORMANCE OF SUBSIDIARY, ASSOCIATE OR JOINT VENTURE COMPANIES:**

The Joint Ventures have incurred Losses during the Current Financial year under review due lack of billing during the year.

#### **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, including implementation of SOP for prevention of COVID19. 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 2019-20 to which this financial statement relates and the date of this report.

**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.

**ACKNOWLEDGEMENT:**

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the shareholders 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 of  
Artefact Projects Limited**

**Place: Nagpur  
Date: 1<sup>st</sup> September, 2020**

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

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

## ANNEXURE-I

### EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**  
**(As on the financial year ended on 31<sup>st</sup> March, 2020)**  
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies**  
**(Management and Administration) Rules, 2014]**

#### I. REGISTRATION AND OTHER DETAILS:

CIN	L65910MH1987PLC044887
Registration Date	6 <sup>th</sup> October, 1987
Name of the Company	Artefact Projects Limited
Category/Sub-Category of the Company	Company limited by Shares
Address of the Registered office and contact details	Block No. 106, 3 <sup>rd</sup> 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	<b>Architectural and Engineering activities and related technical Consultancy (Project Management Consultancy Services)</b>	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	
<b>A. Promoter</b>									
<b>(1) Indian</b>									
(a) Individual /HUF	3011400	0	3011400	54.50	3286400	0	3286400	56.66	2.16
(b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(f) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1)</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>3286400</b>	<b>0</b>	<b>3286400</b>	<b>56.66</b>	<b>2.16</b>
<b>(2) Foreign</b>	0	0	0	0.00	0	0	0	0.00	0.00
(a) NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of promoters (A)</b>	<b>3011400</b>	<b>0</b>	<b>3011400</b>	<b>54.50</b>	<b>3286400</b>	<b>0</b>	<b>3286400</b>	<b>56.66</b>	<b>2.16</b>
<b>B. Public</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	0	0	0	0.00	11700	0	11700	0.20	0.20
(c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Govts.	0	0	0	0.00	0	0	0	0.00	0.00



(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2) Non Institutions</b>									
(a) Bodies Corp.									
(i) Indian	455369	37100	492469	8.91	702721	12200	714921	12.33	3.41
(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	566822	113508	680330	12.31	542079	85715	627794	10.82	(1.49)
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lacs	768258	0	768258	13.91	802356	0	802356	13.s83	(0.07)
(c) Others									
HUF	253807	100	253907	4.60	250697	0	250697	4.32	(0.27)
Clearing Member	227183	0	227183	4.11	150	0	150	0.00	(4.11)
NRI	21772	3300	25072	0.45	20623	1500	22123	0.38	(0.06)
IEPF	49381	0	49381	0.89	83859	0	83859	1.45	0.55
NBFC Registered with RBI	17000	0	17000	0.31	0	0	0	0.00	(0.31S)
<b>Sub-total (B)(2)</b>	<b>2359592</b>	<b>154008</b>	<b>2513600</b>	<b>45.50</b>	<b>2402485</b>	<b>99415</b>	<b>2501900</b>	<b>43.14</b>	<b>(2.36)</b>



<b>Total Public Shareholding (B)</b>	<b>2359592</b>	<b>154008</b>	<b>2513600</b>	<b>45.50</b>	<b>2414185</b>	<b>99415</b>	<b>2513600</b>	<b>43.33</b>	<b>(2.16)</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>5370992</b>	<b>154008</b>	<b>5525000</b>	<b>100.00</b>	<b>5700585</b>	<b>99415</b>	<b>5800000</b>	<b>100</b>	<b>0.00</b>

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to Total shares	No. of shares	% of total shares of the Company	% of shares Pledged /encumbered to Total shares	
1	Mr. Pankaj Shah	747550	13.53	0.00	747550	12.88	0.00	(0.64)
2	Mr. Manoj Shah	700600	12.68	0.00	850600	14.67	0.00	1.99
3	Mr. Chetan Shah	563300	10.20	0.00	688300	11.86	0.00	1.67
4	Mrs. Rupa Shah	367350	6.65	0.00	367350	6.33	0.00	(0.32S)
5	Mrs. Reena Shah	193100	3.50	0.00	193100	3.32	0.00	(0.17)
6	Mrs. Madhavi Shah	238100	4.31	0.00	238100	4.11	0.00	(0.20)
7	Mr. Balkrishna Shah	99250	1.80	0.00	99250	1.71	0.00	(0.09)
8	Mrs. Sushila Shah	102150	1.85	0.00	102150	1.76	0.00	(0.09)
	<b>Total</b>	<b>3011400</b>	<b>54.50</b>	<b>0.00</b>	<b>3286400</b>	<b>56.67</b>	<b>0.00</b>	<b>2.16</b>



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

	Shareholding		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	3011400	54.50	-	-
Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for Increase / Decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	<b>The Company has issued 2,75,000 Shares on Private Placement basis on 30<sup>th</sup> day of August 2019</b>			
At the end of the year	-	-	3286400	56.67

**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	<b>East and West Securities Private Limited</b>				
	a) At the Beginning of the Year	400000	6.90	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	400000	6.90
2	<b>Arcadia Share &amp; Stock Brokers Private Limited</b>				
	a) At the Beginning of the Year	226933	3.91	-	-
	b) Net Changes during the Year	(16142)	(0.28)		
	c) At the end of the Year	-	-	210791	3.63
3	<b>Parsram Chandumal Rohira</b>				
	a) At the Beginning of the Year	200000	3.45	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	200000	3.45
4	<b>Girdhari P Rohira</b>				
	a) At the Beginning of the Year	137627	2.37	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	137627	2.37



<b>5</b>	<b>Sidhwani Chandan Totaram</b>				
	a) At the Beginning of the Year	90000	1.55	-	-
	b) Net Changes during the Year	20197	0.35		
	c) At the end of the Year	-	-	110197	1.90
<b>6</b>	<b>Umesh Satyanarayan Agrawal</b>				
	a) At the Beginning of the Year	70000	1.21	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	70000	1.21
<b>7</b>	<b>Mukul Mahavir Prasad Agrawal</b>				
	a) At the Beginning of the Year	57500	0.99	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	57500	0.99
<b>8</b>	<b>Usha Gurumukh Sukhwani</b>				
	a) At the Beginning of the Year	52670	0.91	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	52670	0.91
<b>9</b>	<b>Harmeet Singh Inderjit Singh Sodhi</b>				
	a) At the Beginning of the Year	50500	0.87	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	50550	0.87
<b>10</b>	<b>Basant T Sukhwant</b>				
	a) At the Beginning of the Year	50000	0.86	-	-
	b) Net Changes during the Year	0	0.00		
	c) At the end of the Year	-	-	50000	0.86S

**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
<b>1</b>	<b>Mr. Pankaj B. Shah (Resigned w.e.f 4<sup>th</sup> May, 2020)</b>				
	a) At the beginning of the Year	747550	13.53	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	747550	13.53
<b>2</b>	<b>Mr. Siddharth P. Shah</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>3</b>	<b>Mrs. Ankita Shah</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>4</b>	<b>Mr. Sandeep M. Batta</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>5</b>	<b>Mr. Kaustubh Paunikar (appointed w.e.f 26<sup>th</sup> November, 2019)</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>6</b>	<b>Mrs. Snehal Jaiswal</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00
<b>7</b>	<b>Mr. Ashok Karwa</b>				
	a) At the beginning of the Year	0	0.00	-	-
	b) Change During the Year	No Change During the Year			
	c) At the End of The Year	-	-	0	0.00

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	16,99,92,900.57	42,25,000	-	17,42,17,900.57
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	16,99,92,900.57	42,25,000	-	17,42,17,900.57
<b>Change in Indebtedness during the financial year</b>				
- Addition	68,32,40,848.27	-	-	68,32,40,848.27
- Reduction	(75,81,15,105.82)	(42,25,000)		(76,23,40,105.82)
<b>Net Change</b>	<b>748,74,257.55</b>	<b>42,25,000</b>	-	<b>790,99,257.55</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	9,51,18,643.02	-	-	9,51,18,643.02
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>9,51,18,643.02</b>	-	-	<b>9,51,18,643.02</b>

**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	3,00,000	15,00,000



	(b) Value of perquisites u/s17(2)Income-taxAct,1961	0	0	0
	(c) Profits in lieu of salary under section 17(3)Income- tax Act, 1961	0	0	0
3.	Stock Option	0	0	0
4.	Sweat Equity	0	0	0
5.	Commission	0	0	0
6.	Others, please specify	0	0	0
7.	<b>Total</b>	<b>12,00,000</b>	<b>3,00,000</b>	<b>15,00,000</b>
	Ceiling as per the Act, 2013	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.		

*ii. Remuneration to other directors:*

Sr. No.	Particulars of Remuneration	NAME OF DIRECTORS			Total Amount (In Rs.)
		Independent Directors		Non- Independent / Non- Executive Directors	
		Mr. Sandeep Batta	Mr. Kaustubh Paunikar	Mrs. Ankita Shah	
1.	Fees for attending Board/ Committee Meetings	0	0	0	0
2.	Commission	0	0	0	0
3.	Others	0	0	0	0
	<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Ceiling as per the Companies Act, 2013	As per the provisions of Section 197 of the Companies Act, 2013 read with Schedule V to the Act.			



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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total Amount (In Rs.)
		Mrs. Snehal A. Jaiswal	Mr. Ashok Karwa	
1.	Gross Salary	4,55,217	17,90,000	22,45,217
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act,1961	4,55,217	17,90,000	22,45,217
	(b) Value of perquisites u/s17(2)Income-taxAct,1961	-	-	-
	(c) Profit s in lieu of salary under section17(3) Income – taxAct,1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
6.	<b>Total</b>	4,55,217	17,90,000	22,45,217

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

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

Sd/-

Sd/-

**Place: Nagpur  
Date: 1<sup>st</sup> September, 2020**

**Siddharth Shah  
Whole-time Diresctor  
DIN: 05304116**

**Ankita Shah  
Director  
DIN: 06772621**

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

As per the requirements of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations'), the Directors thereby present the Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2020.

### BOARD OF DIRECTORS:

#### A. COMPOSITION:

The Board has an appropriate mix of Executive and Non-Executive Directors to maintain its independence. As on 31<sup>st</sup> March, 2020, the Company had four Directors including one woman Director. Of the four Directors, three are Non-Executive Directors out of which two are Independent Directors.

The Composition of the Board as on 31<sup>st</sup> March, 2020 was as follows:

Sr. No	Name of the Director	Category
1	Mr. Siddharth Shah	Whole Time Director
2	Mrs. Ankita Shah	Non-Executive Director
3	Mr. Sandeep Batta	Independent Director
4	Mr. Kaustubh Paunikar (appointed w.e.f 26.11.2019)	Independent (Additional) 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.

None of the Non-Executive Director has any other material pecuniary relationship or transaction with the Company, its Promoters, its Directors or its senior management personnel.

## **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 2019-20, the Board of Directors met 8 ( Eight ) times on the following dates:

1	30 <sup>th</sup> May, 2019	5	4 <sup>th</sup> September, 2019
2	24 <sup>th</sup> July, 2019	6	14 <sup>th</sup> November, 2019
3	13 <sup>th</sup> August, 2019	7	26 <sup>th</sup> November, 2019
4	30 <sup>th</sup> August, 2019	8	13 <sup>th</sup> February, 2020

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 31<sup>st</sup> March, 2020 is given below:

Sr. No	Name of the Director	No. of Board Meetings		Attendance at AGM held on 30 <sup>th</sup> September, 2019	As on 31 <sup>st</sup> March, 2020 (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 (ceased w.e.f 04.05.2019)	0	0	No	0	0	0	Mr. Pankaj Shah is father of Mr. Siddharth Shah	7,47,550
2	Mr. Siddharth Shah, Whole Time Director	8	8	Yes	0	0	0	Mr. Siddharth Shah is son of Mr. Pankaj Shah	-
3	Mrs. Ankita Shah, Non-Executive Director	8	8	Yes	0	0	0	Not Related	-
4	Mr. Sandeep Batta, Independent Director	8	8	Yes	0	0	0	Not Related	-

5	Mr. Kaustubh Paunikar, Independent Director (Appointed w.e.f 26.11.2019)	1	1	No	0	0	0	Not Related	-
6.	Mr. Sudhir Gupta (Ceased w.e.f 19.06.2019)	1	1	No	0	0	0	Not Related	-
7.	Mrs. Meena Gupta (Ceased w.e.f 08.11.2019)	2	2	No	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 15<sup>th</sup> January, 2020 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 program 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:**

Core skills/ competencies/ expertise	Name of the Directors			
	Mr. Siddharth Shah	Mrs. Ankita Shah	Mr. Sandeep Batta	Mr. Kaustubh Paunikar
Business Strategy	√	√	√	√
Business Policy	√	√	√	-
Business Development	√	√	√	√
Risk Management	√	√	√	-
Legal	√	√	√	-
Commercial	√	√	√	-
Project Management	√	√	√	-
Procurement	√	√	-	-
Engineering	√	√	√	-
Finance	√	√	-	-
Human Resource	√	√	-	-

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, Mr. Sudhir Gupta Resigned as a Independent Director due to his appointment in Ernst & Young and as per the policy of the said Company he cannot hold a Directorship in any Listed Company and hence resigned from the Board of our Company.

Further, Mrs. Meena Gupta, Independent Director resigned from the Board due to personal unavoidable reasons.

There is no material reason for resignation of Independent Directors other than the above-mentioned.

### **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, Whole Time Director of the Company affirming the compliance of the same in respect of the financial year ended on 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020, 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 2019-20, the Audit Committee met 4 (Four) times on the following dates:

1	30 <sup>th</sup> May, 2019	3	14 <sup>th</sup> November, 2019
2	13 <sup>th</sup> August, 2019	4	13 <sup>th</sup> February, 2020

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
Mrs. Ankita S. Shah	Member	3	3
Mr. Kaustubh Paunikar (appointed w.e.f 26.11.2019)	Member	1	1
Mrs. Meena Gupta (Ceased w.e.f.08.11.2019)	Member	1	1
Mr. Sudhir Gupta (Ceased w.e.f 19.06.2019 )	Member	1	1
Mr. Pankaj B. Shah (Ceased w.e.f 04.05.2019)	Member	0	0

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 Monday, 30<sup>th</sup> September, 2019.

#### 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 2019-20, the Committee met 2 (Two) time on 24<sup>th</sup> July, 2019 and 26<sup>th</sup> November, 2019. 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	2	2
Mrs. Ankita Shah	Member	2	2
Mrs. Meena Gupta (Ceased w.e.f.08.11.2019)	Member	1	1
Mr. Kaustubh Paunikar (appointed w.e.f 26.11.2019)	Member	0	0
Mr. Pankaj Shah (ceased w.e.f 4.05.2019)	Member	0	0

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 2019-20 and No. of Shares held by directors as on 31<sup>st</sup> March, 2020:**

Name of Director	Salary* (Rs.)	Sitting Fees** (Rs.)	Commission (Rs.)	No. of Equity Shares held	Stock Option	Sweat Equity	Other Perquisites
Mr. Pankaj Shah (ceased w.e.f 04.05.2019)	-	-	-	7,47,550	-	-	-
Mr. Siddharth Shah	12,00,000	-	-	-	-	-	-
Mr. Sandeep Batta	-	-	-	-	-	-	-
Mrs. Ankita Shah	3,00,000	-	-	-	-	-	-
Mr. Sudhir Gupta (ceased w.e.f 19.06.2019)	-	-	-	-	-	-	-
Mr. Kaustubh Paunikar (appointed w.e.f 26.11.2019)	-	-	-	-	-	-	-
Mrs. Meena Gupta (ceased w.e.f 09.11.2019)	-	-	-	-	-	-	-
<b>Total</b>	<b>15,00,000</b>	-	-	<b>7,47,550</b>			

\* Salary includes perquisites.

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

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 2019-20, the Committee met 4 (Four) times on 11<sup>th</sup> April, 2019, 25<sup>th</sup> July, 2019, 10<sup>th</sup> October, 2019 and 9<sup>th</sup> January, 2020. The composition and attendance of members of the Committee at meetings were as follows:

Name of Member	Chairman/Member	No. of Meetings	
		Held	Attended
Mr. Sandeep Batta	Chairman	4	4
Mr. Pankaj Shah (ceased w.e.f 4.05.2019)	Member	0	0
Mrs. Ankita Shah	Member	4	4
Mr. Sudhir Gupta (ceased w.e.f 19.06.2019)	Member	1	1
Mrs. Meena Gupta (ceased w.e.f 09.11.2019)	Member	2	2
Mr. Kaustubh Paunikar (appointed w.e.f 26.11.2019)	Member	1	1

Mrs. Snehal Jaiswal, Company Secretary & Compliance Officer of the Company acts as Secretary to the Committee.

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

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

#### c) Status of Investors' Complaints (As on 31<sup>st</sup> March, 2020):

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

## B) OTHER COMMITTEES:

### i) BORROWING COMMITTEE:

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

During the financial year 2019-20, No meeting of Committee was held. The composition of members of the Committee at meeting was as follows:

Name of Member	Chairman/Member	No. of Meetings	
		Held	Attended
Mr. Siddharth Shah	Chairman	0	0
Mr. Chetan B. Shah	Member	0	0
Mrs. Ankita Shah	Member	0	0

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

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

### ii) MANAGEMENT COMMITTEE:

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

No meeting of Management Committee was held during the financial year 2019-20. The composition of the Committee was as follows:

Name of Member	Chairman/ Member
Mr. Siddharth P. Shah	Chairman
Mr. Chetan B. Shah	Member
Mrs. Ankita S. Shah	Member

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

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

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

**iii) AD-HOC COMMITTEE:**

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

During the financial year 2019-20, the Committee met 6 (Six) times on 9<sup>th</sup> May, 2019, 8<sup>th</sup> July, 2019, 8<sup>th</sup> August, 2019, 23<sup>rd</sup> September, 2019, 21<sup>st</sup> November, 2019 and 28<sup>th</sup> February, 2020 . 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 (ceased w.e.f 04.05.2019)	Chairman	0	0
Mr. Sandeep Batta	Chairman	6	6
Mr. Siddharth Shah	Member	6	6
Mr. Sudhir Gupta (ceased w.e.f 19.06.2019)	Member	1	1
Mrs. Ankita Shah	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:

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

Date and Year	Time	Location
30 <sup>th</sup> September, 2019	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015
29 <sup>th</sup> September, 2018	11.00 A.M.	“Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015
30 <sup>th</sup> June, 2017	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
26 <sup>th</sup> August 2019	Special Resolution for: 1. Issue of Convertible Warrants on Preferential Basis 2. Issue of Equity Shares on Private Placement Basis
29 <sup>th</sup> 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 <sup>th</sup> June, 2017	No Special Resolution was proposed or passed.

**iii) Postal Ballot/EGM conducted during the year:**

No Special Resolution was proposed through Postal Ballot during the financial year 2019-20. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal ballot.

One Extra-ordinary General Meeting was held during the financial year 2019-20 on 26<sup>th</sup> August, 2019.

## 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](http://www.artefactprojects.com) and BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

Shareholders can contact Company Secretary & Compliance Officer on [shareholders@artefactprojects.com](mailto: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 2019-20 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. There were no transactions with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company, as per the requirements of relevant accounting standards. The policy on dealing with Related Party Transaction is available on Company's website at <http://www.artefactprojects.com/Related%20Party%20Transactions%20Policy.pdf>

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

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

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

The Company has complied with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or other Statutory Authorities during the financial year 2019-20.

### **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 2019-20.

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

**VI. SUBSIDIARY COMPANY:**

As on 31<sup>st</sup> March, 2020, the Company does not have any Subsidiary or Associate companies. However, the Company has 3 Joint ventures as on 31<sup>st</sup> March, 2020, the details of which are provided in the Board's Report.

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

**VII. RISK MANAGEMENT:**

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

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

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

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

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

The unethical and fraudulent behavior can be communicated at:

**Mr. Ashok Karwa**

**Chief Financial Officer**

Artefact Projects Limited

Block No. 106, 3<sup>rd</sup> Floor, “Artefact Towers”,

54/3, Chhatrapati Square,

Wardha Road, Nagpur – 440 015

E-mail: [agkarwa@gmail.com](mailto:agkarwa@gmail.com), [artefactngp@artefactprojects.com](mailto:artefactngp@artefactprojects.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 2019-20, 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-paras (2) to (10) of Schedule V of the Listing Regulations,

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

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

<b>Discretionary Requirements</b>	<b>Status of compliance for F.Y. 2019-20 (Yes/No)</b>
<b>The Board</b> 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.	No
<b>Shareholder Rights</b> 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.	No
<b>Modified opinion(s) in audit report</b> The listed entity may move towards a regime of financial statements with unmodified audit opinion.	Yes
<b>Separate posts of chairperson and chief executive officer</b> The listed entity may appoint separate persons to the post of chairperson and managing director or chief executive officer.	No
<b>Reporting of internal auditor</b> The internal auditor may report directly to the audit committee.	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 2019-20, the Company had issued 2,75,000 Equity shares on Private Placement basis at Rs. 32/- per share (including premium of Rs.22/- per share) consideration amounting to Rs.88,00,000/-. The Company has also issued 14,75,000 share warrants on Preferential basis at Rs. 32/- each (including premium of Rs. 22/) each. Out of the said issue, the Company has received 25% of the total consideration amounting to Rs. 118 Lacs.

The Company has utilized the proceeds from the said issue to fund the long term working capital requirements and for the purpose of business growth. There is no deviation in utilization of funds.

**XIV. CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**

A Certificate received from Mr. Jigar Gorsia, 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.**

The details of fees paid to M/s. Banthai Damani & Associates, Chartered Accountants, Statutory Auditors by the Company and its subsidiaries during the year ended March 31, 2020 are as follows:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
1	Audit Fees and Certification charges	722000
<b>Total</b>		<b>722000</b>

**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, 2020. Hence, the particulars relating to aggregate number of shareholders and the outstanding securities are as follows:

aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Not Applicable
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	Not Applicable
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	Not Applicable
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	Not Applicable
that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Not Applicable

## **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 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government.

No Dividend was declared since the financial year 2012-13. Hence, there is no amount or shares due for transfer to Investor Education and Protection Fund.

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 <sup>th</sup> September, 2020	
Time:	11.00 A.M.	
Venue:	Block No. 106, 3 <sup>rd</sup> Floor, "Artefact Towers", 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440 015	
(b) Financial Year:	1 <sup>st</sup> April to 31 <sup>st</sup> March	
(c) Financial Calendar (Tentative):	Result for the quarter ended 30 <sup>th</sup> June, 2019	By 13 <sup>th</sup> August, 2019
	Result for the quarter ending 30 <sup>th</sup> September, 2019	By 14 <sup>th</sup> November, 2019
	Result for the quarter ending 31 <sup>st</sup> December, 2019	By 13 <sup>th</sup> February, 2020
	Audited Result for the quarter and year ending 31 <sup>st</sup> March, 2020	By 31 <sup>st</sup> July, 2020 (Audited)
(d) Dividend Payment Date:	Not Applicable	
(e) Book Closure Date:	From Thursday, 24 <sup>th</sup> September 2020 to Wednesday, 30 <sup>th</sup> September, 2020 (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. 23 <sup>rd</sup> September, 2020.	
(g) Listing on Stock Exchanges:	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001  The Company has paid Listing fees for the year 2019-20.	
(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:	<p>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.</p> <p>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.</p>
(n) Dematerialization of shares:	As on 31 <sup>st</sup> March, 2020, 98.29% 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 <sup>rd</sup> Floor, “Artefact Towers”, 54/3, Chhatrapati Square, Wardha Road, Nagpur – 440015  Tel: # 91 – 712 – 7197100  Fax: # 91 – 712 – 7197 120  Email: <a href="mailto:shareholders@artefactprojects.com">shareholders@artefactprojects.com</a> ;  <a href="mailto:artefactngp@artefactprojects.com">artefactngp@artefactprojects.com</a>
(r) Outstanding ADRs, GDRs or any convertible instruments, conversion date and impact on Equity:	As on 31 <sup>st</sup> March, 2020 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**

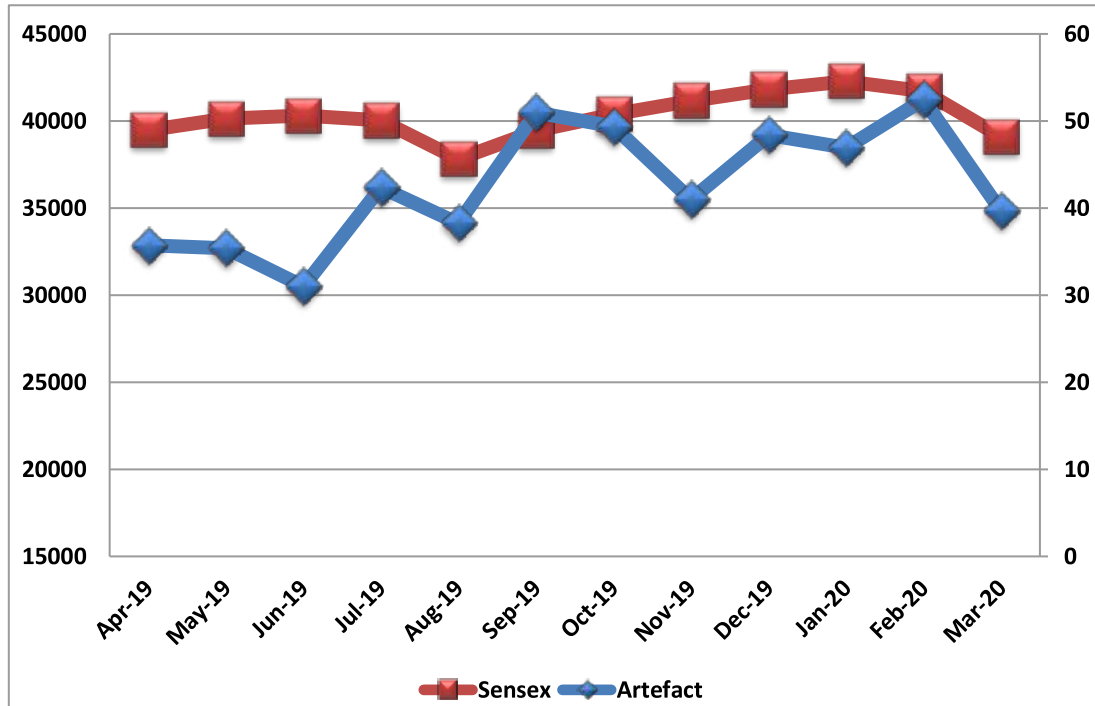
Month	Prices of shares of the Company at BSE ( Rs.)*		Volume* (No. of Shares)	BSE Sensex* (Points)	
	High Price	Low Price		High	Low
<b>Apr 2019</b>	35.70	24.75	2845	39487.45	38460.25
<b>May 2019</b>	35.40	28.80	13449	40124.96	36956.1
<b>Jun 2019</b>	31.00	23.85	6277	40312.07	38870.96
<b>Jul 2019</b>	42.40	24.05	43344	40032.41	37128.26
<b>Aug 2019</b>	38.25	25.55	4958	37807.55	36102.35
<b>Sep 2019</b>	51.00	31.75	457	39441.12	35987.8
<b>Oct 2019</b>	49.35	26.90	5782	40392.22	37415.83
<b>Nov 2019</b>	41.00	25.60	121889	41163.79	40014.23
<b>Dec 2019</b>	48.40	35.75	99724	41809.96	40135.37
<b>Jan 2020</b>	46.95	32.35	31046	42273.87	40476.55
<b>Feb 2020</b>	52.45	36.10	17958	41709.3	38219.97
<b>Mar 2020</b>	39.65	27.55	8306	39083.17	25638.9

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



**APPENDIX-B**

**INDEX COMPARISON**



**APPENDIX-C**

**DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020**

Category	Number of Shareholders (#)	Total number of Shareholders (%)	Total number of Shares	Total number of Shares (%)
1-500	1301	80.95	209127	3.60
501-1,000	123	7.65	102155	1.76
1,001-2,000	67	4.16	102680	1.77
2,001-3,000	33	2.05	82000	1.41
3,001-4,000	10	0.62	36617	0.63
4,001-5,000	9	0.56	43115	0.74
5,001-10,000	20	1.24	152993	2.63
10,001 & Above	44	2.73	5071313	87.43
<b>Total</b>	<b>1607</b>	<b>100.00</b>	<b>5800000</b>	<b>100.00</b>

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

### SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH, 2020

Category	No. of Shares held	Shareholding (%)
<b>Promoters Holding</b>		
1. Promoters and their relatives	32,86,400	56.66
<b>Non-Promoters Holding</b>		
2. Bodies Corporate	7,14,921	12.33
3. Individuals	14,30,150	24.66
4. HUF	250,697	4.32
5. NRI's/ OCB's	22,123	0.38
6. Clearing Members	150	0.00
7. IEPF	83859	1.45
8. Financial Institutions/ Banks	11,700	0.20
<b>TOTAL</b>	<b>58,00,000</b>	<b>100.00</b>

#### 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.
- 98.29% 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) REGULATIONS, 2015**

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

I, Jigar Gorsia, 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, 3<sup>rd</sup> 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, 2020.

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, 2020.

**Directors of Companies by the SEBI, Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020:**

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Designation</b>	<b>DIN</b>
1	Mr. Siddharth Pankaj Shah	Whole Time Director	05304116
2	Mrs. Ankita Shah	Non-Executive Director	06772621
3	Mr. Sandeep Madanlal Batta	Independent Director	02220509
4	Mr. Kaustubh Paunikar	Independent Director	08621592

**Place : Nagpur  
Date: 1<sup>st</sup> September, 2020**

**Sd/-  
CS Jigar Gorsia  
M No. 35845  
COP : 13231**



## DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

I **Siddharth P. Shah**, Whole Time 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 2019-20.

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

Sd/-

**Siddharth P. Shah**  
**Whole Time Director**  
**DIN: 05304116**

**Place: Nagpur**

**Date: 1<sup>st</sup> September, 2020**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMBERS OF  
ARTEFACT PROJECTS LIMITED**

1. We have examined the compliance of conditions of Corporate Governance by Artefact Projects Limited (“the Company”), for the year ended on 31<sup>st</sup> March, 2020, 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. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations. Our examination is limited to examining 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 books of accounts and other relevant records and documents maintained by the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company 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 all 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, 2020:
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.

**Membership No.: 041344**  
**For Banthai Damani & Associates**  
*Chartered Accountants*  
**Firm Reg. No. – 126132W**

**Place: Nagpur**  
**Date: 20<sup>th</sup> August, 2020**  
**UDIN NO: 20041344AAAAAV9221**

**Sd/-**  
**Sudesh Banthia**  
**Partner**

## ANNEXURE II- 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. 1.80 Lakhs.

<b>(i)</b>	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :-	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>Ratio of remuneration to the median remuneration of the employees</b>
1	Mr. Siddharth Shah	6.67
2	Mrs. Ankita Shah	Re-designated as Non-Executive Director w.e.f 01.07.2019
3	Mr. Sandeep Batta	0.00
<b>(ii)</b>	The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year	
<b>Sr. no.</b>	<b>Name of the Director</b>	<b>% Increase over last F.Y.</b>
1	Mr. Siddharth Shah	0.00
2	Mrs. Ankita Shah	0.00
3	Mr. Sandeep Batta	0.00
4	Mr. Ashok Karwa – CFO	0.00
5	Mrs. Snehal Jaiswal- CS	Appointed w.e.f. 31.05.2019
<b>(iii)</b>	The percentage increase in the median remuneration of employees in the financial year	0.00
<b>(iv)</b>	The number of permanent employees on the rolls of the company	372

<p><b>(viii)</b></p>	<p>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</p>	<p>The increase in the salary of the employees, if any, other than managerial personnel is based on various parameters as per the Human Resource Policy of the Company. Also, the number of employees has increased as compared to the previous financial year 18-19. During the year under review, there is no increase in the remuneration of the managerial personnel as per the details stated above.</p>
<p>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.</p> <p><b>Place: Nagpur</b>  <b>Date: 1<sup>st</sup> September, 2020</b></p> <p style="text-align: center;"><b>Sd/-</b>  <b>Siddharth Shah</b>  <b>Whole Time Director</b>  <b>DIN: 05304116</b></p> <p style="text-align: center;"><b>Sd/-</b>  <b>Sandeep Batta</b>  <b>Chairman of Nomination &amp; Remuneration Committee</b>  <b>DIN: 02220509</b></p>		



ANNEXURE II-B										
Information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014										
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 (iii) of sub-rule(2) Rule 5	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
1	Mr. Amrendra Jaitare	Vice President , Highway	22,20,000	Employment Contract	BE(Civil), M.Tech	1/1/2009	48	RCC Consultant Nagpur	NIL	NA
2	Mr. Anil Kumar Shrivastav	Team Leader, Sr. Highway Engineer	36,00,000	Employment Contract	BE(Civil)	12/14/2017	69	SA Infrastructure Consultants Pvt. Ltd.	NIL	NA
3	Mr. Prateek Thakkar	Environmental engineer	17,40,000	Employment Contract	Master of Science (Environmental)	9/22/2008	40	Sheladia Associates, Inc. USA	NIL	NA
4	Mr. Siddharth Shah	Whole Time Director	12,00,000	Employment Contract	BE(Civil), M.Tech	7/6/2013	26	NA	NIL	Son of Mr. Pankaj Shah, Director
5	Mr. Jagmohan Singh	Team Leader	3,600,000	Retainership Contract	BE (Civil), MBA	5/14/2019	60	Lion Engineering Consultant	NIL	NA
6	Mr. Ramashankar Jha	Team Leader	2,460,000	Employment Contract	BE /B.tech (Civil)	12/10/2017	50	M/S Soma Isolux Surat Hazira Tollway Pvt. Ltd.	NIL	NA
7	Mr. Rishi Pal Singh	Bridge / Struture Rognieer	2,040,000	Employment Contract	BE/B.Tech/BE Civil	2/19/2018	48	Theme Engineering & Services Ltd	NIL	NA
8	Mr. Nandkumar Singh	Team Leader	2,880,000	Employment Contract	BE/B.Tech/BE Civil	8/9/2019	51	TPF Getinsa Euroestudios S.L	NIL	NA
9	Mr. Abdul Aleem Arzoo	Team Leader	3,400,020	Employment Contract	BE (Civil)	4/20/2013	61	Sri Vijetha Engineers & Infrastructure Pvt. Ltd	NIL	NA
10	Mr. Bikram Prasad Yadav	SQME	1,283,226	Employment 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 2019-20 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 2019-20 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 2019-20 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

For and on behalf of Board of Directors

Artefact Projects Limited

Place: Nagpur  
Date: 1st September, 2020

Sd/-  
Siddharth Shah  
Whole Time Director  
DIN: 05304116

Sd/-  
Ankita Shah  
Director  
DIN: 06772621



**Jigar Gorsia**

B.Com, LL.B., A.C.S.

Company Secretary

**#Plot No. 888, 3<sup>rd</sup> Floor,  
Opposite NMC School, Chitanvispura,  
Near Zenda Chowk, Mahal,  
Nagpur 440002.**

Ph. 090491 33559

e-mail:csjigar.gorsia@gmail.com

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**Annexure - III**

**FORM NO. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

[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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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 31<sup>st</sup> March, 2020 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 31<sup>st</sup> March, 2020 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.

I 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.

**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

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.

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.

I further report that during the audit period the company has

- i. Issued 275000 equity shares having face value of Rs. 10/- each on private placement @Rs. 32/- per share (including premium of Rs. 22/- each)
- ii. Issued 1475000 Convertible Warrants having face value of Rs. 10/- each (Rupees Ten Only) at an issue price of Rs. 32/- each (including premium of Rs 22/- each on Preferential basis, carrying an option/entitlement to subscribe to equivalent number of Equity Shares.

**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: 10/08/2020**

**UDIN: A035845B000566254**

**“Annexure A”**

**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: 10/08/2020  
UDIN: A035845B000566254**

## **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:**

As per the budget for FY 20-21, Finance Minister has allocated Rs. 1.70 lakh crore for accelerated development of infrastructure, covering strategic roads & highways, economic & green corridors, coastal & inland ports which has the potential to kick start the economy, boost capex cycle, and generate jobs outside urban centers, and boost consumption.

For NHAI, the Centre has proposed to monetize at least 12 lots of highway bundles, covering over 6,000 km before 2024. The Finance Minister announced that accelerated development of highways would be undertaken, including development of 2,500 km access control highways, 9,000 km of economic corridors, 2,000 km of coastal and land port roads and 2,000 km of strategic highways.

In a boost to regional connectivity in the NCR, the Centre has allocated Rs 2,487 crore to the country's first Regional Rapid Transit System (RRTS) in the Budget. A total of Rs 20,000 crore has been allocated for the Mass Rapid Transit System, which includes all metro projects across the country and the RRTS projects.

## **BUSINESS OUTLOOK:**

India had entered into 2020 with lower growth projections on the economic front led by global economic slowdown. The Coronavirus pandemic has further created challenges in the economy and growth prospects.

However, to give a liquidity boost to the economy, since the lockdown on 25<sup>th</sup> March 2020, RBI has announced several measures infuse liquidity measures of Rs.20 Lac crores in economy and has also reduced interest rates .

In order to mitigate the effects of slowdown, due to COVID, India's GDP is expected to grow at 1.9 per cent which is still one of the highest amongst G20 countries.

There are numerous reforms initiated under ATMANIRBHAR BHARAT to encash the opportunity of migration of industries from china and to make India self-reliant by boosting domestic production and consumption.

## **THE INFRASTRUCTURE SECTOR – DEVELOPMENT, OPPORTUNITIES AND THREATS :**

### **DEVELOPMENT AND OPPORTUNITIES;-**

Infrastructure sector plays an important role in the growth and development of Indian economy.

The allocation of Rs.100 lakh crore for infrastructure development in next 5 years i.e. upto 2024 by the NIP announced by Central Government is a large step in the right direction to boost the economy.

More than Rs.19 lac crores will be spent on Roads, Highways and Transport Sector. The Budget also proposes accelerated development of highways.

Hence a long term sustained opportunity in the sector is envisaged.

### **THREATS;-**

Major threat faced by the industry is imminent slowdown in the economy for 2020-21 and its aftereffects in subsequent years. The government response to the pandemic of COVID 19 and the need for coordinated monetary and fiscal policy actions will determine the speed of growth of economy. Further, constrained government revenue streams and lower tax collections may slow planned investment in infrastructure.

The businesses worldwide have been hugely impacted by the outbreak of COVID-19 epidemic which has resulted in significant reduction in economic activities across all sectors.

However the response of the Government is quite proactive and in right direction and Hence, the threats may ultimately turn out to be an opportunity.

However, The Company is serving government clients like NHAI, Ministry of Road Transport, State Government Road Development Corporations and local bodies.

These agencies have awarded long term contracts to the company which are time based and not directly linked with project progress and hence, there is no break in continuing contracts.

There is no disruption in the company's project activities, billing and claims for services even during the lock down period. The company has sufficient orders in hand to cater to next 2 to 3 years of projected turnover. Hence the company does not foresee any material adverse impact of Covid-19 on its current operations.

## **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 been able to counter and overcome the possible short term risks.

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.

A stretched working capital cycle and slow recovery of debts may be an area of concern, which is addressed by mitigating the risk of shortage of working capital finances by augmenting it provided by 20% of working capital as per RBI's guidelines on COVID emergency finance.

Management intervention and strong contract management shall reduce the risk of slower revenues receipts. The Company has also monetized a part of its non-core assets to reduce its debt burden by repayment of Term loans during the year and to save interest costs. The company has undertaken several cost saving measures and embarked upon total automation of its working and processes to rationalize its manpower costs and increase efficiency.

#### **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 and a response is prepared by the Management. Material deviations from planning and budgeting are reviewed on a quarterly basis by the Board for corrective actions.

#### **NET WORTH:**

As on 31<sup>st</sup> March, 2020, the Net Worth of the Company stood at Rs.3947.49 Lacs as compared to Rs.3367.72 lacs during the previous financial year. This was mainly due to profits for the year and increase in Equity Capital of the Company and issue of share warrants. There is significant change in the Net worth as compared to the previous financial year. The Book value of the equity shares of the company stood at Rs. 68.05 per share.

#### **SECURED LOANS:**

Total Secured Loans outstanding of the Company stood at Rs. 950.69 Lacs as against Rs.1598.13 Lacs for the previous year. This comprised of Bank working capital Rs.947.94 Lacs and Vehicle Loan of Rs.2.75 Lacs.

During this year there is decrease in secured loan on account of repayment of Balance due of LAP Term Loan out of Rs.10 crores of sanctioned loan to company. The company plans to further consolidate its finances by gradual reduction of loan to achieve a status of debt free company.

#### **FIXED ASSETS:**

The gross block of fixed assets stood at Rs.2731.76 Lacs as against Rs. 3148.14 Lacs for the previous year. The decrease is on account of sale of one of the building block and separation of Assets Held for Sale (Rs.29.69 Lacs) from Fixed Assets to Other Non-Current Assets.

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

Sundry Debtors stood at Rs. 1466.15 Lacs, being decrease of about 35.20% as compared to previous year. Debtors are mainly due to project billings largely outstanding of last quarter of the year, pending 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 provided for write off of Trade Receivables amounting to Rs. 429.22 Lacs outstanding for more than 6 months, which are pending approvals by the Client, without prejudice to the Claims against the Clients already made thereof, as a measure of prudent accounting policy.

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

The Cash and Bank Balances stood at Rs. 147.21 Lacs mainly consisting of balance with Bank and fixed deposits, being margins for Bank guarantees issued by the company.

#### **LOANS & ADVANCES:**

Current Loans and advances stood at Rs. 1081.07 Lacs (Previous year Rs. 704.31Lacs).

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

The current liabilities and provisions stood at Rs.1562.05 Lacs (previous year Rs.2327.60 Lacs). This mainly consists of Trade Payables of Rs. 301.02 Lacs, Statutory Liability of Rs 431.32 Lacs and other payables and provisions amounting to Rs.829.71 Lacs.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company continues its continued committed importance on its Human capital. Your company 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 2019-2020, the break-up of Human Resource was employment of 182 Technical, 145 Non-Technical and 45 Supporting Staff, total being 372 number of staff.

## DETAILS OF SIGNIFICANT CHANGES IN FINANCIAL RATIOS:

Particulars	2020	2019
Operating Ratio	25.62%	23.45%
PBIDT Ratio	24.38%	22.66%
PBT Ratio	13.29%	3.59%
PAT Ratio	10.71%	5.86%
Net Worth (Rs.)	3947.49 lacs	3367.72 lacs
Return on Network	9.09%	3.93%
Return on Equity (PBT/Equity)	6.38%	2.40%
Interest Coverage Ratio	3.02	1.24
Debt Equity Ratio (Secured Loan/Equity)	0.24	0.47
Current Ratio	1.48	1.21
Debtors Turnover Ratio	217.55%	99.70%
Inventory Turnover Ratio	1974%	878%
EPS (Basic)*	6.58	2.38
EPS (Diluted)*	6.58	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.*



## **Key Managerial Personnel & Leadership Team**

<b>Sr. No.</b>	<b>Name of Key Professionals</b>	<b>Designation</b>
1.	Mr. Siddharth Shah	Whole Time Director
2.	Mrs. Ankita Shah	Non - Executive Director
3.	Mr. Sandeep Batta	Independent Director
4.	CA Ashok Karwa	Chief Financial Officer
5.	Mr. S.C Gupta	Sr. Quality Cum Material Expert
6.	Mr. Amarendra Jaltare	Senior Bridge Design Engineer/Vice President
7.	Mr. Mahesh Utage	Resident Engineer
8.	Mr. Prateek Thakkar	Environmental Specialist
9.	Mr. Santosh Akotkar	Senior Quantity Surveyor
10.	Mr. Mohammad Abdul Aleem Arzoo	Team Leader cum Senior Highway Eng.
11.	Mr. Nandkumar Singh	Team Leader
12.	Mr. A.K. Goyal	Team Leader
13.	Mr. D. Nagendra Rao	Senior Quality Cum Material Expert
14.	Mr. A.K. Ismaili	Resident Engineer
15.	Mr. Ramashankar Jha	Team Leader
16.	Mr. Himanshu Dhari Sharma	Senior Quality cum Material Engineer
17.	Mr. Jivan Nikose	Senior Bridge Design Engineer
18.	Mr. Mahendra Suryawanshi	Team Leader
19.	Mr. A.K. Shrivastav	Team Leader
20.	Dr. Pratap Singh	Team Leader
21.	Mr. Pramod Yadav	Resident Engineer
22.	Mr. Jitendra Awasthi	Resident Engineer
23.	Mr. Bhoomi Obul Reddy	Team Leader
24.	Mrs. Snehal Jaiswal	Company Secretary
25.	Mrs. Pooja Parekh	Manager- Human Resources
26.	Mr. Ranjeet Pande	Manager- Admin
27.	Mr. Mahendra Chakole	Manager - Tender
28.	Mr. Pramod Wadibhasme	Sr. Manger - Highway
29.	Mr. Subhash Kolhekar	Manger - Electrical Engineer



30.	Mr. Sameer Rokde	Sr. Manager - Highway
31.	Mr Chandrashekhar Baseshankar	Senior Manager Accounts
32.	Mr .Tapan Suryawanshi	Manager -EDP

**Place: Nagpur**  
**Date: 1<sup>st</sup> September, 2020**

**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, 2020, 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 audit opinion on the Ind AS financial statements.

**Emphasis on Matter:**

**We draw attention to:**

- 1) *Note No. 9.01 to the accompanying Statement of audited Standalone Financial Results, wherein the Management of the company had considered certain over dues and outstanding Trade Receivables from the Government clients in respect of completed Contracts, amounting to Rs.639.48 Lacs and the management as matter of prudent accounting policy and expected delays in its recovery, has written off Rs 429.22 Lacs during the quarter and year ended 3<sup>rd</sup> March 2020 (including provision of Rs 75 Lacs made upto Q3). However, any recoveries received in subsequent years out of the claims submitted therefore shall be accounted for in the year of its receipts.*
- 2) *Note No.6.01 to the accompanying Statement of audited Financial Results, regarding investment of Rs. 13.02 crores (Including cumulative interest of Rs 1.02 crores accrued thereon) in Unquoted fully compulsory convertible debentures in private unlisted companies as at reporting date. The management has represented that all investments in the said companies, based on its assessment of cash flows, investment being long term and strategic in nature and valuation report of registered external Valuers received by the company, no provision for impairment of expected Losses in accordance with Ind-As-109 "Financial Instruments" is required and the amounts are fully recoverable. We have relied on the management representation and external valuers report in this regard.*
- 3) *Note No.6.02 to the accompanying Statement of audited standalone Financial Results regarding investment of Rs. 90 Lacs in equity shares of associate company. The management based on its assessment for the current financial year and considering that the company has earned profits and has positive net worth as per audited balance sheet for the year ending 31<sup>st</sup> March 2019, is of the opinion that there is no diminution in the value of its investment in the said company and hence no provision for impairment loss is required. We have relied on the management.*
- 4) *The company has made declaration under service tax legacy dispute resolution scheme (SVLDRS) during the year. Consequent to declaration made, benefit of waiver of service tax and interest provision made in earlier years amounting to Rs 3,48,42,430/-has been written back and credited to profit and loss account for the year.*
- 5) *The impact of pandemic in immediate future cannot be quantified as on date. However, the Management is of view that there is no expected significant adverse impact on the continuity of operations of the business on long term basis/ on useful life of the assets/ on financial position, etc.*

*Our opinion is not Qualified in respect of above matters.*

**Opinion**

Based on our audit conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with IND AS prescribed and other recognized accounting practices and policies, and has not disclosed the information required to be

disclosed in terms of Regulation 33 of the Listing Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular')

### **Key Audit Matters:**

Except for the matters described in Emphasis on matters for paragraphs above, we have determined that there are no other matters to communicate in our report.

### **Other Matters**

The Financial statements and other financial information include the companies proportionate share in jointly controlled total assets of Rs. 237.48 Lacs, revenue of Rs.11.16 Lacs, expenditure of Rs.14.35 Lacs and share of loss of Rs.3.19 Lacs in joint ventures for the year ended March 31, 2020 and the elements making up the cash flow statements and related disclosures in respect of unincorporated joint ventures which is based on the audited financial statements of the respective joint ventures audited by us.

### **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.
  - 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. 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. On the basis of the written representations received from the directors as on March 31, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**" to this report.
  - g. 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 IND AS 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

Sd/-

**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**  
Place: Nagpur  
Date : July 29, 2020

## **“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in Paragraph 1 (f) of the Independent Auditors Report of even date to the members of Artefact Projects Limited on the standalone Financial Statements as of and for the year ended March 31, 2020)**

**Report on the Internal Financial Controls With reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the Internal Financial Controls with reference to Financial Statements of **ARTEFACT PROJECTS LIMITED (“the Company”)** as of March 31, 2020 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Financial Controls over financial reporting 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 audit opinion on the Company’s internal financial controls system with reference to financial statements.

### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial control system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India .

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

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

Place: Nagpur  
Date : July 29, 2020

**“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT**

**(Referred to in Paragraph 2 of the Independent Auditors Report of even date to the members of Artefact Projects Limited on the standalone Financial Statements as of and for the year ended March 31, 2020)**

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 two Companies. 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.

vii. According to the information and explanations given to us, in respect of statutory dues:

- a) Substantial delays have been noticed in depositing undisputed statutory dues in respect of 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, 2020 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)	2019-20	47,54,693.00
GST	GST		8,00,798.00
<b>TOTAL</b>			<b>55,55,491.00</b>

- b) According to Information and explanation given to us and the records of the company examined by us, there are no dues of Goods and Service Tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2020 which have not been deposited on account of dispute are as follows:

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)
<b>Total</b>		23,09,910.00		

- viii) According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to any financial institution or bank as at the balance sheet date. The company does not have any loans or borrowings from government, nor has it issued any debentures on the balance sheet date.
- ix) The company has not raised any money by initial public offer, further public offer (including debt instruments) and term loans during the year. Accordingly, provisions of paragraph 3 (ix) of the order 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 3 (xii) 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 records of the company examined by us and the information and explanation given to us, the company has raised money by issue of 2.75 Lacs equity shares of Rs.10/- each at Rs.32/- (including premium of Rs.22/-) for total consideration of Rs.88 Lacs to the promoters of the company . The company has also issued 14.75 lacs share warrants (2.75 Lacs to promotors and 12 Lacs to Non promotors) of Rs.10/- each at Rs.32/- (including premium of Rs.22/-) for total consideration of Rs. 472 Lacs carrying an option / entitlement to subscribe to equivalent number of equity shares of Rs 10/- each at a price of Rs 32/-each including premium of Rs22/-each as per valuation determined by independent valuer at a future date not exceeding 18 months from the date of issue of such warrants. The company has received Rs 88 Lacs for issue and allotment of equity shares and Rs 118 Lacs (25% amount ) as subscription for share warrants and balance to be received within 18 months from the date of subscription. of share or debentures. The company has complied with the requirements of section 42 of the Companies Act, 2013 and the funds received during the year have been used for the purpose for which they have been raised.
- 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

Sd/-

**Sudesh Banthia**  
**Partner**  
**Membership No. - 041344**  
Place: Nagpur  
Date : July 29, 2020



**ARTEFACT PROJECTS LIMITED**  
**BALANCE SHEET AS AT MARCH 31st, 2020**

Particulars	Note No	As at Mar 31st , 2020 (Amount in Rs)		As at Mar 31st , 2019 (Amount in Rs)	
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
(a) Property, Plant and Equipment	3	17,01,92,956		20,96,05,903	
(b) Investment Property	4	-		19,41,739	
(c) Intangible Assets	5	1,61,934	17,03,54,890	3,69,648	21,19,17,290
(d) Financial Assets					
(i) Non Current Investments	6		12,90,00,000		12,90,00,000
(e) Other Non Current Assets	7		28,33,308		95,21,050
<b>Current Assets</b>					
(a) Inventories / Work in Progress	8		1,61,57,973		2,56,92,470
(b) Financial Assets					
(i) Trade Receivables	9	14,66,14,944		22,62,46,178	
(ii) Cash & Cash Equivalents	10	1,46,36,699		2,59,42,608	
(iii) Bank Balance other than above	11	84,767	16,13,36,410	84,767	25,22,73,553
(c) Other Current Assets	12		19,41,22,177		13,05,86,047
<b>TOTAL ASSETS</b>			<b>67,38,04,758</b>		<b>75,89,90,410</b>
<b>EQUITY &amp; LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share Capital	13	6,98,00,000		5,52,50,000	
(b) Other Equity	14	32,49,48,825	39,47,48,825	28,15,21,583	33,67,71,583
<b>NON-CURRENT LIABILITIES</b>					
(a) Financial Liabilities					
(i) Long Term Borrowings	15	2,74,884		5,77,86,614	
(ii) Deferred Tax Liability (Net)	16	2,40,58,704		2,35,05,321	
(b) Long Term Provisions	17	37,22,723	2,80,56,311	19,15,295	8,32,07,230
<b>CURRENT LIABILITIES</b>					
(a) Financial Liabilities					
(i) Short Term Borrowings	18	9,47,94,449		10,62,51,903	
(ii) Trade and Other Payables	19	3,01,02,163		5,79,99,767	
(iii) Other Financial Liabilities	15 (a)	2,13,774		1,01,95,434	
(b) Other Current Liabilities	20	12,56,95,899		16,20,18,728	
(c) Short Term Provisions	17 (a)	1,93,337	25,09,99,622	25,45,765	33,90,11,597
<b>TOTAL LIABILITIES</b>			<b>67,38,04,758</b>		<b>75,89,90,410</b>
Significant accounting policies	1				
Critical estimates and adjustment	2				
The accompanying notes are an integral part of financial statements					
As per our Report of even date For, <b>BANTHIA DAMANI &amp; ASSOCIATES</b> Chartered Accountants Firm Reg. No. 126132W			For and on behalf of Board of Directors		
Sd/-		Sd/-		Sd/-	
SUDESH BANTHIA Partner Membership No. 041344 Place : Nagpur Date : 29th July, 2020		SIDDHARTH P SHAH Director DIN: 05304116		SANDEEP BATTA Director DIN: 02220509	
		Sd/-		Sd/-	
		SNEHAL JAISWAL Company Secretary Membership No. A26960 Nagpur,		ASHOK KARWA Chief Financial Officer	



<b>ARTEFACT PROJECTS LIMITED</b>			
<b>STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31ST, 2020</b>			
Particulars	Note No	Year ended March 31st, 2020 (Amount in Rs)	Year ended March 31st, 2019 (Amount in Rs)
<b>INCOME</b>			
Revenue from Operations	21	31,89,56,872	22,55,56,243
Other Income	22	1,62,48,602	1,32,59,249
<b>Total Income</b>		<b>33,52,05,474</b>	<b>23,88,15,492</b>
<b>EXPENSES</b>			
Project Expenses	23	3,71,35,967	3,35,25,709
Retainers and Consultancy Fees	24	7,99,08,486	5,27,46,822
Change in Inventories of Work in Progress	25	95,34,497	-1,74,36,371
Employee Benefits Expense	26	11,16,25,734	9,86,07,392
Finance Cost	27	2,70,18,190	3,63,63,813
Depreciation and Amortization Expenses	28	1,01,52,040	84,33,403
Other Expenses	29	2,27,69,476	1,84,75,890
<b>Total Expenses</b>		<b>29,81,44,390</b>	<b>23,07,16,658</b>
<b>Profit Before Tax And Exceptional Item</b>		<b>3,70,61,084</b>	<b>80,98,834</b>
<b>Exceptional Item</b>			
Profit on Sale of Assets	3	74,99,924	
<b>Profit Before Tax</b>		<b>4,45,61,008</b>	<b>80,98,834</b>
<b>Income Tax Expenses:</b>		<b>86,42,128</b>	<b>-51,26,952</b>
Current Tax		80,00,000	14,000
MAT Credit Entitlement		-	
Deferred Tax		5,53,383	(21,36,179 )
Income Tax for Earlier Years		88,745	(30,04,773 )
<b>Profit/(Loss) for the Year</b>		<b>3,59,18,880</b>	<b>1,32,25,786</b>
Other Comprehensive Income (net of Tax) (item that will not be reclassified to profit & loss)	30	14,81,436	-66,527
Remeasurements of post -employment benefit obligations.	17.01		
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>3,74,00,316</b>	<b>1,31,59,259</b>
Earnings per equity share of Rs 10 each	31		
- Basic (in Rs.)		6.58	2.38
- Diluted (in Rs.)		6.58	2.38
As per our Report of even date For, <b>BANTHIA DAMANI &amp; ASSOCIATES</b> Chartered Accountants Firm Reg. No. 126132W		For and on behalf of Board of Directors	
Sd/- <b>SUDESH BANTHIA</b> Partner Membership No. 041344 Place : Nagpur Date : 29th July, 2020	Sd/- <b>SIDDHARTH P SHAH</b> Director DIN: 05304116	Sd/- <b>SANDEEP BATTA</b> Director DIN: 02220509	
	Sd/- <b>SNEHAL JAISWAL</b> Company Secretary Membership No. A26960	Sd/- <b>ASHOK KARWA</b> Chief Financial Officer	



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2020**

**A EQUITY SHARE CAPITAL**

Particulars	Note	Amount
As at 31st March, 2018	13	5,52,50,000
Change in equity share capital		-
As at 31st March, 2019		5,52,50,000
Change in equity share capital		27,50,000
As at 31st March, 2020		5,80,00,000

**B OTHER EQUITY**

Particulars	Note	Capital Reserve	Securities Premium	General Reserve	Surplus	Total
As at 1st April, 2018	14	1,19,93,750	13,18,90,400	1,13,00,000	11,31,78,174	26,83,62,324
Profit for the Year		-	-	-	1,32,25,786	
Other Comprehensive Income		-	-	-	(66,527)	
Total comprehensive income for the year		-	-	-		
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	12,63,14,359	28,14,98,509
Profit for the Year		-	-	-	3,59,18,880	3,59,18,880
Other Comprehensive Income		-	-	-	14,81,436	14,81,436
Total comprehensive income for the year		-	-	-	3,74,00,316	3,74,00,316
Total comprehensive income for the year		-	-	-		
Exercise of share options		-	-	-		
Issue of Share Capital at premium		-	60,50,000	-		60,50,000
Share-based payments		-	-	-		
Cash dividends		-	-	-		
Dividend distribution tax		-	-	-		
As at 31st March, 2020		1,19,93,750	13,79,40,400	1,13,00,000	16,37,14,675	32,49,48,825

**Notes:**

- 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.
- During the year, the company has issued and allotted Fully paid up 2,75,000 Equity shares of Rs.10 each for Rs. 32 including premium of Rs.22 totalling Rs. 27.50Lacs and total value of Rs.88Lacs to the shareholders belonging to promoter group.
- During the year the Company has issued Share warrants for 12 Lacs equity shares of Rs.10/- each at rate Rs.32/- (including premium of Rs.22/-) totalling to Rs. 384 Lacs to Non Promoter Group carrying an option / entitlement to subscribe to equivalent number of equity shares of Rs 10/- each at a price of Rs 32/-each including premium of Rs 22/-each as per valuation determined by independent valuer at a future date not exceeding 18 months from the date of issue of such warrants. The company has received Rs 96 Lacs (25% amount) as subscription for share warrant by the month of September, 2019 and balance to be received within 18 months from the date of subscription.
- During the year the Company has issued Share warrants for 2.75 Lacs equity shares of Rs.10/- each at rate Rs.32/- (including premium of Rs.22/-) totalling Rs.88 Lacs to Promoter Group carrying an option / entitlement to subscribe to equivalent number of equity shares of Rs 10/- each at a price of Rs 32/-each including premium of Rs 22/-each as per valuation determined by independent valuer at a future date not exceeding 18 months from the date of issue of such warrants. The company has received Rs 22Lacs (25% amount) as subscription for share warrants by the month of September, 2019 and balance to be received within 18 months from the date of subscription.
- The above issue of equity and preference shares and its pricing is in compliance with the SEBI guidelines on the Issue of said shares and all the required compliances prescribed therein have been met

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

Sd/-  
**SUDESH BANTHIA**  
Partner  
Membership No. 041344  
Nagpur,  
Date : 29th July, 2020

Sd/-  
**SIDDHARTH P SHAH**  
Director  
DIN: 05304116

Sd/-  
**SANDEEP BATTA**  
Director  
DIN: 02220509

Sd/-  
**SNEHAL JAISWAL**  
Company Secretary  
Membership No. A26960

Sd/-  
**ASHOK KARWA**  
Chief Financial Officer



**ARTEFACT PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31st, 2020**

Particulars	Year ended March 31st, 2020	Year ended March 31st, 2019
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	4,45,61,008	80,98,834
<b>Adjustments for:</b>		
<b>a) Appropriation of Funds:</b>		
Depreciation and Amortization Expenses	1,01,52,040	84,33,403
Loss/(profit) on Sale of Fixed Assets	(74,99,924 )	-
<b>b) Non Operating Income &amp; Expense:</b>		
Finance Costs	2,70,18,190	3,63,63,813
Interest Income	(1,54,90,277 )	(1,19,23,765 )
Gratuity Expenses	11,66,712	-
<b>Operating profit before working capital Adjustment</b>	<b>5,99,07,749</b>	<b>4,09,72,284</b>
<b>Changes in operating assets and liabilities</b>		
(Increase) / Decrease in Other Non Current Assets	66,87,742	(1,57,15,936 )
(Increase) / Decrease in Changes in Inventories	95,32,205	(1,74,34,077 )
(Increase) / Decrease in Trade and Other Receivables	7,96,31,234	(4,14,37,314 )
(Increase) / Decrease in Bank Balance other than above	-	65,006
(Increase) / Decrease in Loans	-	6,04,09,661
(Increase) / Decrease in Other Current Assets	(7,74,44,441 )	(4,67,92,459 )
Increase / ( Decrease) in Long Term Provisions	-	4,71,832
Increase / ( Decrease) in Trade Payables and Other Liabilities	(2,78,97,604 )	3,16,85,862
Increase / ( Decrease) in Other Current Liabilities	(4,63,03,567 )	3,78,79,575
Increase / ( Decrease) in Short Term Provisions	-	2,28,546
<b>Cash generated from operations</b>	<b>(5,57,94,431 )</b>	<b>93,60,696</b>
<b>Income taxes paid (net of refunds received)</b>	1,57,40,522	(14,000 )
<b>Net cash inflow/ (outflow) from operating activities (A)</b>	<b>1,98,53,840</b>	<b>5,03,18,980</b>
<b>Cash Flows from Investing Activity</b>		
Payments for property, plant and equipment	(14,48,449 )	(18,22,735 )
Payments for intangible assets	(26,100 )	-
Proceeds from sale of property, plant and equipment	4,25,00,000	-
Proceeds from sale of Share Investment	-	(2,56,62,822 )
Interest Income	1,54,90,277	1,19,23,765
(Increase) / Decrease in Fixed deposits with Bank	1,14,80,680	-
<b>Net cash flow from investing activities (B)</b>	<b>6,79,96,409</b>	<b>(1,55,61,792 )</b>
<b>Cash Flow from Financing Activities</b>		
Finance Cost	(2,67,23,135 )	(3,63,63,813 )
Proceeds from issue of shares	88,00,000	-
Proceeds from issue of warrants	1,18,00,000	-
Increase / ( Decrease) in Short Term Borrowings	(1,14,57,454 )	15,91,163
Proceeds/ (Repayment) from/ (of) borrowings	(6,74,93,390 )	(1,05,80,241 )
Proceeds/ (Repayment) from/ (of) Lease Liability	(26,01,498 )	-
Other Financial Liabilities	-	(37,27,616 )
<b>Net cash Flow from Financing activities (C)</b>	<b>(8,76,75,477 )</b>	<b>(4,90,80,507 )</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalent (A)+(B)+(C)</b>	<b>1,74,772</b>	<b>(1,43,23,319 )</b>
<b>Cash &amp; Cash Equivalent in the beginning of the Year</b>	<b>2,79,786</b>	<b>1,46,03,105</b>
<b>Cash &amp; Cash Equivalent in the end of the Year</b>	<b>4,54,557</b>	<b>2,79,786</b>
Reconciliation of cash and cash equivalents as per the cash flow statement:		
	March 31st, 2020	March 31st, 2019
Cash and cash equivalents	4,54,557	2,79,786
<b>Balances as per statement of cash flows</b>	<b>4,54,557</b>	<b>2,79,786</b>
i. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Cash Flow Statements". ii. Figures in brackets indicate Outflows. iii. Previous year's figures have been regrouped / rearranged wherever necessary to make them comparable with those of current year. As per our Report of even date		
		For and on behalf of Board of Directors
For, <b>BANTHIA DAMANI &amp; ASSOCIATES</b> Chartered Accountants Firm Reg. No. 126132W		
Sd/- <b>SUDESH BANTHIA</b> Partner Membership No. 041344 Place : Nagpur Date : 29th July, 2020	Sd/- <b>SIDDHARTH P SHAH</b> Director DIN: 05304116	Sd/- <b>SANDEEP BATTA</b> Director DIN: 02220509
	Sd/- <b>SNEHAL JAISWAL</b> Company Secretary Membership No. A26960	Sd/- <b>ASHOK KARWA</b> Chief Financial Officer

**ARTEFACT PROJECTS LTD.**
**Notes forming part of the financial statements for the year ended MARCH 31, 2020**
**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 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 anyone item included in the same class of obligations

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

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

#### 1.15 Employee benefits

##### *Short-term obligation*

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

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

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

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 pronouncements Standards issued but not yet effective

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

##### Amendment to Ind AS 7:

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

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

#### 1.19 Inventories

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

#### 1.20 Accounting for Joint Venture Operations

The Financial Statements reflect the share of the Company's assets and liabilities as well as income and expenditure of Joint Venture.

Operations which are accounted for according to the participating interest of the company as per the various Joint Venture Agreements on a line by line basis along with similar items in the company's financial statements.

#### 1.21 Provision for current and deferred tax

Provision for current and deferred tax is made after taking into consideration benefits admissible under the Provision of Income Tax Act 1961. Deferred tax resulting from timing differences "between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is 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, 2020

**Note No 3**

**Property, Plant and Equipment**

	Land	Building	Right of Use Assets (Building)	Plant & Machinery	Furniture & Fixtures	Computers	Vehicles	Joint Venture Share	Total
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									-
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	1,73,253	20,96,05,903
Gross Carrying Cost as at April 1, 2019	1,96,63,126	19,61,82,011	40,56,906	3,08,48,324	2,38,03,932	2,40,87,513	63,50,790	2,26,932	30,52,19,534
Additions				2,45,915	2,99,643	9,02,891		-	14,48,449
Disposals/ Adjustments	36,90,769	3,68,23,363						-	4,05,14,132
Gross Carrying Cost as at March 31, 2020	1,59,72,357	15,93,58,648	40,56,906	3,10,94,239	2,41,03,575	2,49,90,404	63,50,790	2,26,932	26,61,53,851
Accumulated Depreciation as at April 01, 2019	-	2,66,95,073		1,80,23,349	1,96,09,162	2,25,77,532	45,97,930	53,679	9,15,56,725
Depreciation during the year.	-	27,53,348	22,52,346	18,77,732	16,48,614	9,92,306	3,77,203	16,678	99,18,226
Disposals/ Adjustments		55,14,056							55,14,056
Accumulated Depreciation as at Mar 31, 2020	-	2,39,34,365	22,52,346	1,99,01,081	2,12,57,775	2,35,69,838	49,75,133	70,357	9,59,60,895
Net Block as at Mar 31, 2020	1,59,72,357	13,54,24,283	18,04,560	1,11,93,158	28,45,800	14,20,566	13,75,657	1,56,575	17,01,92,956

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

3.02 During the year the company has sold one office block No.107 of Artefact Towers, Nagpur for total sale consideration of Rs. 4,25,00,000/-. The sale price was above government valuation. This has resulted in reduction of gross block by Rs.4,05,14,132/ and adjustment of depreciation reserve of Rs.55,14,056/-The profit on sale of asset earned during the year is Rs.74,99,924 credited to Profit and Loss account.

**Note No 4**

**Investment Property**

	NCA Held for Sale	Total
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	9,81,326	9,81,326
Depreciation during the year.	46,343	46,343
Disposals/ Adjustments		
Net Block as at Mar 31, 2019	19,41,739	19,41,739
Gross Carrying Cost as at April 1, 2019	29,69,408	29,69,408
Additions		
Disposals/ Adjustments	29,69,408	29,69,408
Gross Carrying Cost as at Mar 31, 2020	-	-
Accumulated Depreciation as at Apr 1, 2019	10,27,669	10,27,669
Depreciation during the year.		
Disposals/ Adjustments	10,27,669	10,27,669
Accumulated Depreciation as at Mar 31, 2020	-	-
Net Block as at Mar 31, 2020	-	-

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

**4.02 Fair Market Value of Property**

Particulars	31th March, 2020	31th March, 2019
Fair Market Value of Investment Property	NIL	1,08,63,380

4.03 The Company has entered into Agreement to Sale for above properties and expect to complete the sale transaction within 12 months from the reporting date. Accordingly the same has been classified as "Asset Held For Sale" and disclosed under Other Current Assets as per IND AS 105.



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

	Computer Softwares	Total
Deemed Cost as at April 01, 2017		-
Additions		-
Disposals/ Adjustments		-
Gross Carrying Cost as at March 31, 2018		-
Accumulated Amortization as at April 01, 2017		-
Amortization during the year		-
Disposals/ Adjustments		-
<b>Net Block as at March 31, 2018</b>		-
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
<b>Net Block as at Mar 31, 2019</b>	<b>3,69,648</b>	<b>3,69,648</b>
Gross Block as on 1 April 2019	69,95,582	69,95,582
Add during 12 months fixed assets	26100	26,100
Gross Block as on 31 March 2020	70,21,682	70,21,682
Depreciation till 1 April 2019	66,25,934	66,25,934
During the Period	2,33,814	2,33,814
Disposals/ Adjustments	-	-
Accumulated depreciation Upto 31 March 2020	68,59,748	68,59,748
<b>Net block As on 31 March 2020</b>	<b>1,61,934</b>	<b>1,61,934</b>

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



ARTEFACT PROJECTS LIMITED					
Notes to the Financial Statements for the year ended March 31, 2020					
Note No 6					
Financial Assets					
NON-CURRENT INVESTMENTS					
Particulars	No. of Shares/Debentures		Face Value	As at March 31 st, 2020	As at March 31 st, 2019
	31.3.2019	31.3.2020			
<b>Investments at Deemed Cost</b>					
<b>In Associates</b>					
<b>Unquoted Equity Shares (fully paid)</b>					
Artefact Infrastructure Limited	90,000	90,000	10	90,00,000	90,00,000
<b>In Others</b>					
<b>Unquoted CCD's (Fully paid)</b>					
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
<b>Total deemed cost of OCI Investments</b>				<b>12,90,00,000</b>	<b>12,90,00,000</b>

6.01 The company has made investment of Rs.13.02 crores (Including cumulative interest accrued thereon), in Unquoted fully compulsory convertible debentures as at reporting date. The management does not deem necessary to make any provision for impairment of expected Losses, if any, in accordance with Ind-As-109 "Financial Instruments". Such investments in mining companies are long term and strategic in nature, have large value of explored mining reserves and based on the expected cash flows in the said companies, registered external valuers have valued the shares of the said companies above par value and are considered good and fully recoverable. Hence no provision for impairment in value of investment is required

6.02 Regarding investment of Rs. 90 Lacs standing in equity shares of associate company, the company has earned profits and has positive net worth as per audited balance sheet for the year ending 31/3/2019 and there is no diminution in the value of investment and hence no provision for impairment loss is required.



ARTEFACT PROJECTS LIMITED			
Notes to the Financial Statements for the year ended March 31st, 2020			
<b>Note No 7</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
(Unsecured and considered good unless otherwise stated)			
Particulars	As at March 31st, 2020	As at March 31st, 2019	
Loans and Advances to JV	7,14,444	-36,80,137	
Security Deposits	21,18,864	32,54,506	
MAT Credit Entitlement	-	99,46,681	
Total	28,33,308	95,21,050	
<b>Note No 8</b>			
<b>INVENTORIES/ WORK IN PROGRESS</b>			
Particulars	As at March 31st, 2020	As at March 31st, 2019	
Work In Progress (at cost)	1,61,57,973	2,56,92,470	
Total	1,61,57,973	2,56,92,470	
<b>Note No 9</b>			
<b>TRADE RECEIVABLES</b>			
(Unsecured, subject to confirmations and considered good unless otherwise stated)			
Particulars	As at March 31st, 2020	As at March 31st, 2019	
Trade Receivables	12,87,02,324	16,65,54,943	
Receivables from Joint Ventures	1,79,12,621	5,96,91,235	
Less: Provision for doubtful debts	-	-	
Total	14,66,14,944	22,62,46,178	
Break-up of security details			
(a) Trade Receivable considered good-Secured;			
(b) Trade Receivable considered good-Unsecured;			
(c) Trade Receivable which have significant increase in Credit Risk;			
(d) Trade Receivables- credit impaired;			
Unsecured, considered good			
Doubtful			
Less: Provision for doubtful debts			
	14,66,14,944	22,62,46,178	
9.01. The company has considered certain over dues and outstanding Trade Receivables from the Government clients in respect of completed Contracts, amounting to Rs. 639.48 Lacs outstanding at year end and the management as matter of prudent accounting policy and expected delays in its recovery, has written off Rs 429.22 Lacs during the quarter and year ended 31st March 2020. However, any recoveries received in subsequent years out of the claims submitted therefor shall be accounted for in the year of its receipts.			
9.02 Trade receivables includes Rs.160.69 Lacs receivable from clients as reimbursement of GST charged in bills to be reimbursed and consequently the GST liability is taken at Gross amount of Rs.285.79 Lacs included in statutory liability as stated in Note No.20			
<b>Note No 10</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Particulars	As at March 31st, 2020	As at March 31st, 2019	
Cash and Cash Equivalents			
Balances with Banks - in Current Accounts	2,10,699	-30,552	
Cash in Hand	2,43,859	3,10,338	
Other Bank Balances			
Fixed Deposit with Banks *	1,41,82,142	2,56,62,822	
Total	1,46,36,699	2,59,42,608	
* Includes Rs. 1,41,82,142/- (Previous Year Rs 25662822/-) pledged with bank as margin money for bank guarantee facilities .			



<b>Note No 11</b>		
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Particulars	As at March 31st, 2020	As at March 31st, 2019
EarMarked Balances - Unpaid Dividend Accounts	84,767	84,767
<b>Total</b>	<b>84767</b>	<b>84767</b>
<b>Note No 12</b>		
<b>OTHER CURRENT ASSETS</b>		
<b>(Unsecured, considered good unless otherwise stated)</b>		
Particulars	As at March 31st, 2020	As at March 31st, 2019
Non Current Asset Held for Sale	19,41,739	-
MAT Credit Entitlement	1,17,00,070	-
Income Tax Refund Due (Net) **	6,58,13,022	6,83,17,087
Others*( members shares of jv )	65,60,766	-81,62,530
Loans and Advances	10,81,06,580	7,04,31,490
(a) Loan Receivable considered good-Secured;		
(b) Loan Receivable considered good-Unsecured;	10,81,06,580	70431490
(c) Loan Receivable wich have significant increase in Credit Risk;		
(d) Loan Receivables- credit impaired;		
<b>Total</b>	<b>19,41,22,177</b>	<b>13,05,86,047</b>
12.01 Since the projects undertaken by the Meinhardt Singapore Pte. Ltd - Artefact Projects JV were completed, the JV partners have decided to dissolve the JV after completion of due statutory compliance. The Board of Directors of the Company has approved the said decision in their meeting dated 09th February, 2016. The dissolution of JV is pending as on 31st March , 2020.		
12.02 Loans and advances include Rs. 32.72 Lacs recoverable from one of the persons with whom the company has entered into Financial Sponsorship Agreement since he did not join the service. The Management issued notice of legal proceedings for its recovery and the company has already recovered Rs. 40 lacs and has received confirmation from the party to pay the balance during the current year.		
12.03 Income Tax provision for year ended 31 <sup>st</sup> March 2020 to the extent available under Section 115JB shall be adjusted against MAT Credit Entitlement of Rs. 117 Lacs.		
<b>Note No 13</b>		
<b>Equity Share Capital</b>		
Particulars	As at 31st March , 2020	As at 31st March , 2019
Authorised		
10,000,000 Equity Shares of Rs 10 each (Previous year 10,000,000)	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid up Capital		
5800,000 Equity Shares of Rs 10 each (Previous year 5,525,000)	5,80,00,000	5,52,50,000
	<b>5,80,00,000</b>	<b>5,52,50,000</b>
1475000 Nos. of Share warrant issued, of Rs.10/- each @32/- (including Premium of Rs22 per share)	1,18,00,000	0
<b>Total</b>	<b>6,98,00,000</b>	
13.01. Subscription for 1475000 Nos. of Share warrant issued, of Rs.10/- each @32/- (including Premium of Rs 22/-per share) totalling to Rs.472 Lacs. Subscription received Rs. 118 Lacs i.e., 25%.		
13.02 Reconciliation of number of shares outstanding :		
Particulcars	As at 31st March , 2020	As at 31st March , 2019
Shares outstanding as at the beginning of the year	55,25,000	55,25,000
Add: Shares issued during the year	2,75,000	-
Shares outstanding as at end of the year	58,00,000	55,25,000
13.03 Details of Shareholders, holding more than 5% shares of Paid-up Equity Capital of the Company		
Name of Share Holder	As at 31st March , 2020	
	No of Shares	% of Holding
Pankaj Balkrishna Shah	747550	12.89
Manoj Balkrishna Shah	850600	14.67
Chetan Balkrishna Shah	688300	11.87
East & West Securities Pvt Ltd	400000	7.24
Rupa Shah	367350	6.33
13.04 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.		



<b>Note No 14</b>			
<b>OTHER EQUITY</b>			
Particulars	As at March 31 st, 2020		As at March 31 st, 2019
Capital Reserve	1,19,93,750		
Balance as per last Balance Sheet			1,19,93,750
Securities Premium			
Balance As Per Last Balance Sheet	13,18,90,400		13,18,90,400
Add: Additions During the Year	<u>60,50,000</u>	13,79,40,400	
General Reserve	1,13,00,000		
Balance as per last Balance Sheet			1,13,00,000
Surplus			
Balance as per last Balance Sheet	12,63,14,359		11,31,78,174
Add: Profit for the Year	<u>3,74,00,316</u>	16,37,14,675	<u>1,31,59,259</u>
<b>TOTAL</b>		<u>32,49,48,825</u>	<u>28,15,21,583</u>
<b>Note No 15</b>			
<b>LONG TERM BORROWINGS</b>			
Particulars	As at March 31 st, 2020		As at March 31 st, 2019
Secured Loans			
Term Loan from a Bank	-		5,72,97,956
Vehicle Loan from a Bank	2,74,884		4,88,658
<b>Total</b>	<u>2,74,884</u>		<u>5,77,86,614</u>
15.01 Vehicle loan referred to above and Rs 2,13,774/ 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.			
15.02 During the year the company had prepaid its entire outstanding balance of term loan from Canara Bank (Sanctioned Limits of Rs.10Cr.)			
15.03 Maturity Profile of Vehicle Loan is as under:			
Financial Year	Vehicle Loan	Total	
2020-2021	2,13,774	2,13,774	
2021-2022	2,33,831	2,33,831	
2022-2023	41,053	41,053	
	-	-	
	-	-	
<b>Total</b>	-	4,88,658	4,88,658
<b>Terms of repayment of borrowings</b>			
Particulars	Maturity Date	Terms of Repayment	Interest Rate
Secured Vehicle loans from Bank			
Rupee Loans	05th May 2022	Monthly Installment	10%
<b>Note No 15(a)</b>			
<b>OTHER FINANCIAL LIABILITIES</b>			
Particulars	As at March 31 st, 2020		As at March 31 st, 2019
Current Maturities of Long Term Debt	2,13,774		1,01,95,434
Mobilization Advance from Customers			
<b>Total</b>	<u>2,13,774</u>		<u>1,01,95,434</u>



Note No 16		
DEFERRED TAX LAIBILITY (NET)		
The balance of deferred tax comprises temporary differences attributable to:		
Particulars	As at March 31 st, 2020	As at March 31 st, 2019
Deferred Tax Liability		
Property, plant and equipment and intangible assets	2,51,46,149	2,46,65,197
<b>Total</b>	<b>2,51,46,149</b>	<b>2,46,65,197</b>
Deferred Tax Assets		
Defined Benefit Obligation	10,87,445	11,59,876
<b>Total</b>	<b>10,87,445</b>	<b>11,59,876</b>
<b>Deferred Tax Liability (Net)</b>	<b>2,40,58,704</b>	<b>2,35,05,321</b>
<b>Net Increase in Deferred Tax Liability</b>	<b>5,53,383</b>	
Net Increase in Deferred Tax Liability is Debited to Statement of Profit and Loss Account		
16.01 Deferred Tax Liability to be adjusted and credited in the profit and loss accounts as per IND AS 12.		
Taxation		
Income tax liabilities / (Income tax assets)		
Particulars	As at March 31 st, 2020	As at March 31 st, 2019
Opening Balance	6,83,17,087	4,63,52,427
Income Tax Assets	1,62,65,716	2,19,64,660
Less: Refund Received	-1,87,69,781	-
Closing Balance	6,58,13,022	6,83,17,087
Income Tax Expenses		
Profit and Loss section	Year ended As at March 31 st, 2020	Year ended As at March 31 st, 2019
Current income tax charge		
Current income tax		
Current tax on profit for the current year	80,00,000	14,000
Income Tax for Earlier Years	88,745	
Deferred tax	5,53,383	(21,36,179)
MAT Credit Entitlement	-	(30,04,773)
Income tax expense reported in the consolidated statement of Profit & Loss	86,42,128	(51,26,952)
Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate for 31st March, 2020 and 31st March, 2019		
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Accounting profit/ (loss) before tax	4,45,61,008	80,98,833
Statutory income tax	8000000	14000
Adjustments in respect of current income tax of previous years	88745	(3004773)
Tax Effects of amounts which are not deductible (taxable) in calculating taxable income		
Deferred Tax expenses on previously unrecognized tax losses now recognized	553383	(2136179)
Share of JV		
Other Comprehensive Income	(1481436)	66527
<b>Total</b>	<b>3,74,00,316</b>	<b>1,31,59,258</b>
Note No 17		
LONG TERM PROVISIONS		
Particulars	As at March 31 st, 2020	As at March 31 st, 2019
Provision for Employees Benefits *	37,22,723	19,15,295
<b>Total</b>	<b>37,22,723</b>	<b>19,15,295</b>
* As per Actuarial Valuation Certificate		



SHORT TERM PROVISIONS		
Particulars	As at March 31 st, 2020	As at March 31 st, 2019
Provision for Employee Benefits*	1,93,337	25,45,765
<b>Total</b>	<b>1,93,337</b>	<b>25,45,765</b>
* 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	As at March 31 st, 2020	As at March 31 st, 2019
Defined Benefit Plan		
Employers contribution to Provident Fund, ESIC and Other Funds	7,71,285	8,33,681
Defined Benefit Plan		
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	44,61,060	36,94,154
Transfer in/ (out) obligation		
Current service cost	9,51,510	5,20,355
Interest cost	2,15,202	1,80,024
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	42,722	49,923
Due to change in demographic assumptions	(1,317 )	
Due to experience assumptions	(17,53,117 )	
Past service cost		16,604
Loss (gain) on curtailments		
Liabilities extinguished on settlements		
Liabilities assumed in an amalgamation in the nature of purchase		
Exchange differences on foreign plans		
Benefits paid		
<b>Closing Defined Benefit Obligation</b>	<b>39,16,060</b>	<b>44,61,060</b>
Long Term	37,22,723	19,15,295
Short Term	1,93,337	25,45,765
	Year Ended March 31st, 2020	Year Ended March 31st, 2019
Expense recognised in Statement of Profit & Loss		
Service cost:		
Current service cost	9,51,510	5,20,355
Past service cost and loss/ (gain) on curtailments and settlements		-
Net interest cost	2,15,202	1,80,024
<b>Total included in 'Employees Benefit Expense' charged to P &amp; L</b>	<b>11,66,712</b>	<b>7,00,379</b>
Actuarial Assumptions	31.03.2020	31.03.2019
Mortality Table (LIC)	LIC (1994-96) Published Table	LIC (1994-96) Published Table
Discount Rate (per annum)	6.60% p.a.	6.75% p.a.
Expected Rate of escalation in Salary (per annum)	6.50% p.a.	6.50% p.a.
Amounts for the current & previous periods as follows		
Particulars	31.03.2020	31.03.2019
<b>Defined Benefit Obligation</b>	<b>39,16,060</b>	<b>44,61,060</b>
Experience Adj on plan Liab Gain/ (Loss)		
Other Comprehensive Income for the current period		
Particulars	31.03.2020	31.03.2019
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	42,722	49,923
Due to change in demographic assumption	(1,317 )	
Due experience adjustments	(17,53,117 )	16,604
Return on plan assets excluding amounts included in interest income		
Amounts recognized in Other Comprehensive Income	(17,11,712 )	66,527



<b>Note No 18</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>Particulars</b>	<b>As at March 31 st, 2020</b>	<b>As at March 31 st, 2019</b>
Secured Loan		
Working Capital Loan from a Bank	9,46,29,985	10,20,26,903
Others	1,64,464	
UnSecured Loan		
Pankaj B Shah -Loan A/c	-	42,25,000
<b>Total</b>	<b>9,47,94,449</b>	<b>10,62,51,903</b>

18.01 Working Capital Loan from canara Bank to the extent of:  
(i) Rs. 9,47,94,449 /-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 all the 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. The sanctioned fund based limits by the bank is Rs.10 Crores.

<b>Note No 19</b>		
<b>TRADE AND OTHER PAYABLES</b>		
<b>Particulars</b>	<b>As at March 31 st, 2020</b>	<b>As at March 31 st, 2019</b>
TRADE AND OTHER PAYABLES		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises	-	8,100
(B) Total Outstanding dues of creditors other than Micro and Small Enterprises	3,01,02,163	5,79,91,667
<b>Total</b>	<b>3,01,02,163</b>	<b>5,79,99,767</b>

19.01 The Company has sent letters for obtaining confirmation from all the creditors regarding their status as Micro Small and Medium Enterprises (MSME), however the Company has not received response from any creditor. 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.

<b>Particulars</b>	<b>As at March 31 st, 2020</b>	<b>As at March 31 st, 2019</b>
(a)(i) the principal amount	-	8,100
(a)(ii) interest due thereon remaining unpaid		
(b) the amount of interest paid by the company in terms of section 16		-
(c) Interest due and payable for the period of delay in payment		-
(d) Interest accrued and remaining unpaid		-
(e) Interest remaining due and payable even in succeeding years		-

<b>Note No 20</b>		
<b>OTHER CURRENT LIABILITIES</b>		
<b>Particulars</b>	<b>As at March 31 st, 2020</b>	<b>As at March 31 st, 2019</b>
Unclaimed Dividend *	83,917	83,917
Statutory Liabilities	4,31,32,997	5,01,65,724
Payable to JV/ share of other liabilities of JV		8,45,141
Deposits Received	-	5,46,400
Others **	1,16,39,496	6,28,95,672
Provision for Expenses	2,76,12,585	86,93,434
Salary Payable	3,59,76,904	3,25,38,440
Advance Against Non Current Asset Held for Sale	72,50,000	62,50,000
<b>TOTAL</b>	<b>12,56,95,899</b>	<b>16,20,18,728</b>

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

\*\* Mainly includes Lease liability and payable to retainers.

Statutory Liabilities includes Rs.160.69 Lacs receivable from clients as reimbursement of GST charged in bills as included in Note 9.



<b>Note No 21</b>			
<b>REVENUE FROM OPERATIONS</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Income from Project Management and Consultancy Services	31,89,56,872	22,55,56,243	
<b>Total</b>	<b>31,89,56,872</b>	<b>22,55,56,243</b>	
<b>Note: 21(a)</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Income from Project Management and Consultancy Services	37,71,59,501	26,97,75,575	
Less: GST	(5,82,02,628 )	(4,42,19,332 )	
<b>Total</b>	<b>31,89,56,872</b>	<b>22,55,56,243</b>	

<b>Note No 22</b>			
<b>OTHER INCOME</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Interest Income from financial assets carried at amortized cost:			
- Fixed Deposits	11,68,977	12,09,809	
- Income from Shor term Advances	59,27,372	47,13,957	
- Income on Debentures	60,00,000	60,00,000	
Other Interest Income on:			
- Income Tax Refund	23,93,927		
Rent Income	2,25,000	5,82,000	
Provision for doubtful debts written back	5,21,325		
Miscellaneous Income	12,000	7,53,484	
<b>Total</b>	<b>1,62,48,602</b>	<b>1,32,59,249</b>	

<b>Note No 23</b>			
<b>PROJECT EXPENSES</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Site & Survey Expenses	30,42,073	7,20,190	
Power & Electricity	17,29,305	15,50,124	
Rent	49,93,414	76,54,863	
Insurance	6,21,899	6,25,501	
Printing & stationary	3,27,025	3,45,800	
Travelling & Conveyance:			
Site Taxi Hire Charges	2,59,23,669	2,09,52,272	
Travelling: Others	2,37,104	4,69,358	2,14,21,630
Communication Expenses	1,06,871	1,53,156	
Repairs & Maintenance:			
Buildings	-	8,53,210	
Repairs: Others	1,54,608	2,01,235	
<b>Total</b>	<b>3,71,35,967</b>	<b>3,35,25,709</b>	

<b>Note No 24</b>			
<b>RETAINERS AND CONSULTANCY FEES</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Retainership Fees	2,80,95,719	2,02,73,428	
Consultancy Fees	5,18,12,767	3,24,73,394	
<b>Total</b>	<b>7,99,08,486</b>	<b>5,27,46,822</b>	



<b>Note No 25</b>			
<b>CHANGE IN INVENTORIES OF WORK IN PROGRESS</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Closing Inventories			
Work in Progress	1,61,57,973		2,56,92,470
Opening Inventories			
Work in Progress	2,56,92,470		82,58,392
<b>(Increase) / Decrease in Inventories</b>	<b>95,34,497</b>		<b>(1,74,36,371)</b>
<b>Note No 26</b>			
<b>EMPLOYEE BENEFITS EXPENSE</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Salaries, Wages and Allowances	10,79,18,444		9,47,69,941
Contribution to PF and other Funds	7,71,285		8,33,681
Gratuity Expenses	11,66,712		7,24,812
Welfare and other Amenities	17,69,293		22,78,959
<b>Total</b>	<b>11,16,25,734</b>		<b>9,86,07,392</b>
<b>Note No 27</b>			
<b>FINANCE COST</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Interest Expenses	1,85,62,322		2,22,47,529
Other Borrowing Costs	81,60,813		1,41,16,284
Interest on Lease Liability A/c	2,95,055		-
<b>Total</b>	<b>2,70,18,190</b>		<b>3,63,63,813</b>
<b>Note No 28</b>			
<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Depreciation on property, plant and equipment	76,65,879		82,17,868
Amortization of Intangible Assets (Computer Softwares)	2,33,815		2,15,535
Depreciation on Right of Use Assets A/c	22,52,346		-
<b>Total</b>	<b>1,01,52,040</b>		<b>84,33,403</b>
<b>Note No 29</b>			
<b>OTHER EXPENSES</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
<b>Sales &amp; Administration Expenses</b>			
Rates & Taxes	4,27,663		9,99,070
Printing & Stationery	7,94,528		8,66,216
Legal & Filing Fees	2,45,096		1,36,407
Tender Expenses	5,81,172		5,22,260
Travelling & conveyance	51,47,717		68,93,486
Audit fees & Certification charges	6,22,000		7,08,000
Professional and Consultancy charges	8,25,614		5,39,875
Repaires & Maintenance	42,82,865		35,06,027
Advertisement & Sales Promotion	2,12,304		1,07,803
Communication Exp	7,08,561		7,93,491
Donations	-		4,500
Computer & Software exp	7,23,582		5,79,827
GST Expenses	-		-1,42,547
Miscellaneous Expenses	17,57,387		29,61,475
<b>Sub Total</b>	<b>1,63,28,490</b>		<b>1,84,75,890</b>
<b>Non Cash Charges/ Writeoff</b>			
Trade Receivables Written Off	42922753		-
Service Tax Written Back Under SVLDRS	(34842429)		-
Trade Payable and Excess Provision Writtenback	(1639338)		64,40,986
<b>Total</b>	<b>2,27,69,476</b>		<b>1,84,75,890</b>
<b>29.1 Breakup Of Payment To Statutory Auditors</b>			
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019	
Audit Fees	600000		6,00,000
Tax Audit Matters	0		1,00,000
Certification & Other Matters	22000		8,000
<b>Total</b>	<b>622000</b>		<b>7,08,000</b>
29.02 Trade Receivables written off of Rs.429.22Lacs considers the tenure of Debts outstanding of completed contracts and the claims lodged their against, as a measure of prudent and conservative accounting policy			
29.03 Service Tax and Interest Provisions made in previous years written back post acceptance of determination of liability and remissions under SVLDRS scheme.			
29.04 Trade payable and expenses provided but not payable due to non compliances, or incomplete services have been written back to the tune of Rs.16.39Lacs			
<b>Note No 30</b>			
<b>OTHER COMPREHENSIVE INCOME</b>			
Particulars		Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019
Gratuity Income	1711712		
Less : Expense due to Lease Liability	(230276)	14,81,436	-66,527



Note No 31		
EARNING PER SHARE		
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019
Net Profit/(Loss) after tax attributable to equity shareholders	3,74,00,316	1,31,59,259
Weighted average number of equity shares outstanding (Nos)	56,85,417	55,25,000
	6.58	2.38

NOTE 32		
CONTINGENT LIABILITIES		
(To the extent not provided for)		
Particulars	Year Ended Mar 31 st, 2020	Year Ended Mar 31 st, 2019
(i) Guarantees given by the Company's Bankers. (Bank guarantees are provided under contractual/legal obligation.)	65953185	60994120
(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)	692106	692106
(iii) Appeal filed in respect of disputed demand of Service Tax	Nil	1819000
(iv) Apperal filed in respect of disputed demand of income tax.	2309910	2309910

**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, 2020

**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. Siddharth Shah  
Mrs Ankita Shah  
Mr. Manoj Shah - (Relative of Director)  
Mr. Pankaj Shah - (Relative of Director)  
Mr. Ashok Karwa - Chief Financial Officer  
Ms Snehal Jaiswal Company Secretary
- Enterprises in which key managerial personnel and their relatives are able to exercise significant influence with whom transactions have taken place during the year :
- III. (Other related parties)**  
a) Artefact Towers Association  
b) Renaissance IOT LLP  
c) Artefact Infrastructure Ltd.

**ARTEFACT PROJECTS LIMITED**

Notes to the Financial Statements for the year ended March 31st, 2020

**B. Transactions during the year with Related Parties :**

(Amount In Rs.)

Nature of transaction	Subsidiary Company	Joint Ventures	Key Management Personnel & their Relatives	Other Related Parties	Total
<b>Non Current Investments</b>					
Balance outstanding at year end		6,41,172		90,00,000	96,41,172
		(6,57,104)		(90,00,000)	(96,57,104)
<b>Advances to suppliers</b>					
Balance outstanding at year end				2,06,094	2,06,094
				-	-
<b>Security Deposits</b>					
Balance outstanding at year end				1,02,000	1,02,000
				(1,02,000)	(1,02,000)
<b>Long Term Loans &amp; Advances</b>	-	-	-	-	-
			(42,25,000)		(42,25,000)
<b>Short Term Loans &amp; Advances</b>					
Opening balance	-	1,98,66,226	-	-	1,98,66,226
		(1,37,03,584)		(1,36,14,256)	(2,73,17,840)
Given during the year	-	2,59,85,822	-	1,10,40,199	3,70,26,021
		(3,19,71,462)		(1,92,14,402)	(5,11,85,864)
Received during the year		2,95,29,893	-	1,10,40,199	4,05,70,092
		(2,58,08,820)		(2,85,03,720)	(5,43,12,540)
Balance outstanding at year end	-	1,63,22,155	-	-	1,63,22,155
		(1,98,66,226)		(43,24,938)	(2,41,91,164)
<b>Sundry Creditors</b>					
Balance outstanding at year end	-	-	7,43,999	4,48,853	11,92,852
			-	-	-
<b>Other current liabilities</b>					
Balance outstanding at year end	-	7,94,502	-	-	7,94,502
		(43,46,755)		-	(43,46,755)
<b>Trade Receivables</b>					
Balance outstanding at year end	-	1,48,46,207			1,48,46,207
		(5,96,91,235)		(6,94,917)	(6,03,86,152)
<b>Employee Benefits Expenses</b>					
Payment of Salaries & Allowance	-	-	37,45,217		37,45,217
( Refer Note (i) below Note No.31 ( C ) )	-	-	(42,47,591)		(42,47,591)
		-	-	-	-
		-	-	-	-
<b>Professional and Consultancy Fees</b>					
		7,00,000	12,00,000	-	19,00,000
		-	(30,75,000)	-	(30,75,000)
<b>Revenue from Operations</b>					
Income from Project Management and Consultancy Services	-	-	-	45,00,000	45,00,000
				-	-
<b>Other Income</b>					
Interest on Loans	-	-	-	5,37,521	5,37,521
				(47,13,956)	(47,13,956)
<b>Reimbursement of Expenses</b>					
<b>Repair and Maintenance</b>					
	-	-	-	36,68,928	36,68,928
				(24,16,507)	(24,16,507)

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



**ARTEFACT PROJECTS LIMITED**

**Notes to the Financial Statements for the year ended March 31st, 2020**

c. Details of major transactions during the year with Related Parties :			Amount In Rs.	
Particulars	Name of Parties	Year Ended 31.03.2020	Year Ended 31.03.2019	
<b>Non Current Investments</b>				
- in Equity Shares	Artefact Infrastructure Ltd	90,00,000	90,00,000	
-In Joint Ventures	Sheladia -APL	6,41,172	6,57,104	
<b>Advance to suppliers</b>				
Balance outstanding at year end	APL Tower Association	2,06,094	-	
<b>Security Deposit</b>				
Balance outstanding at year end	Artefact Tower Association	1,02,000	1,02,000	
<b>Long Term Loans and Advances</b>				
Balance outstanding at year end	Pankaj B. Shah	-	42,25,000	
<b>Short Term Loans &amp; Advances</b>				
Opening Balance	Zaidun Leeng Sdn. Bhd.- Artefact Projects	1,51,82,926	90,20,284	
	Sheladia Associates Inc.-			
	Artefact Projects-Zaidun Leeng Sdn. Bhd.	46,83,300	46,83,300	
	Artefact Tower Association		(49,746)	
	Renaissance IOT LLP		50,000	
	Artefact Infrastructure Ltd		1,36,14,002	
Given during the period	Zaidun Leeng Sdn. Bhd.- Artefact Projects	2,59,85,822	3,19,71,462	
	Sheladia Associates Inc.-			
	Artefact Projects-Zaidun Leeng Sdn. Bhd.	-	-	
	Artefact Infrastructure Ltd	1,10,40,199	24,47,559	
	Artefact Tower Association		1,30,46,843	
	Renaissance IOT LLP		37,20,000	
Received during the period	Zaidun Leeng Sdn. Bhd.- Artefact Projects	2,95,29,893	2,58,08,820	
	Renaissance IOT LLP		7,00,000	
	Artefact Tower Association		1,17,42,159	
	Artefact Infrastructure Ltd	1,10,40,199	1,60,61,561	
Balance outstanding at year end	Zaidun Leeng Sdn. Bhd.- Artefact Projects	1,16,38,855	1,51,82,926	
	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	-	-	
<b>Trade Receivables</b>				
Balance outstanding at year end	Zaidun Leeng Sdn. Bhd.- Artefacts Projects	1,32,74,017	5,81,19,045	
	Sheladia Associates Inc.-			
	Artefact Projects-Zaidun Leeng Sdn. Bhd.	15,72,190	15,72,190	
<b>Sundry Creditors</b>				
	Mr. Manoj B. Shah	6,48,000		
	Renaissance IOT LLP	4,48,853		
<b>Other current liabilities</b>				
	Meinhardt Singapore Pte. Ltd. - Artefact Projects	59,887	49,087	
	Zaidun Leeng Sdn. Bhd.- Artefact Projects	7,34,469	42,97,669	
<b>Revenue from Operations</b>				
- Income from Project Management and Construction Services	Artefact Infrastructure Ltd	45,00,000		
<b>Interest Income</b>				
Interest on Loans	Artefact Infrastructure Ltd	5,37,521	3,99,020	
	Koradi minerals pvt ltd	-	43,14,936	
<b>Particulars</b>	<b>Name of Parties</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>	
<b>Employee Benefits Expenses</b>				
- Payment of Salaries & Allowance ( Refer Note (i) below Note No.31 ( C ) )	Mr. Siddharth P Shah	12,00,000	12,00,000	
	Miss Ankita Shah	3,00,000	12,00,000	
	Mr.Ashok Karwa	17,90,000	10,33,710	
	Miss.Snehal Jaiswal	4,55,217	3,68,337	
			4,45,544	
<b>Repair and Maintenance</b>	Artefact Towers Association	36,68,928	24,16,507	
<b>Professional Consultancy Fees</b>				
	Mr. Manoj B. Shah	12,00,000	15,75,000	
	Mr. Chetan Shah		150,000	
	Zaidun Leeng Sdn. Bhd.-			
	Artefact Projects	7,00,000	-	
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

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, 2020 is Rs. 21,285,752 (Previous year Rs.44,069,702) Rs. 1,2751,523 (Previous Year Rs.39,581,682) respectively and in the income, expenditure and net profit / ( Loss) before tax for the year ended 31st March, 2020 of the above Joint Ventures amounts to Rs. 11,16,186 (Previous Year Rs.10,648,587), Rs. 14,81,516 (Previous Year Rs. 10,551,533) and Rs. (3,65,331) (Previous Year Rs. 97,054) respectively. The figures have been incorporated based on the audited financial statements received from the jointly controlled operations.

**NOTE 37**

The Company has not entered into any derivative contracts and accordingly there are no outstanding derivative contracts as on 31st March, 2020. The Company does not have any foreign currency exposure as on 31st March, 2020.

**NOTE 38**

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

**NOTE 39**

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

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

For and on behalf of Board of Directors

Sd/-  
**SUDESH BANTHIA**  
Partner  
Membership No. 041344  
Nagpur,

Sd/-  
**SIDDHARTH P SHAH**  
Director  
DIN: 05304116

Sd/-  
**SANDEEP BATTA**  
Director  
DIN: 02220509

Sd/-  
**SNEHAL JAISWAL**  
Company Secretary  
Membership No. A26960  
Nagpur,

Sd/-  
**ASHOK KARWA**  
Chief Financial Officer



**Annexure IV  
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

**ASSOCIATES AND JOINT VENTURES**

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, 2020	31st March, 2020	31st March, 2020
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	1,746,297	50,736	6,737,197
9	Profit / Loss for the year	(603,167)	(155)	(5,625)
	i) Considered in the Consolidation	(361,527)	(147)	(3,656)
	ii) Not considered in the consolidation	(241,640)	(8)	(1,969)

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, 3<sup>rd</sup> 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](http://www.artefactprojects.com)

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

**PROXY FORM**

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

**32<sup>ND</sup> ANNUAL GENERAL MEETING ON WEDNESDAY, 30<sup>TH</sup> SEPTEMBER, 2020**

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

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

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

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

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

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

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

Address \_\_\_\_\_

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

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

Address \_\_\_\_\_

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

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

Address \_\_\_\_\_

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Wednesday, 30<sup>th</sup> September, 2020 at 11.00 a.m. at **Block No. 106, 3<sup>rd</sup> 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
<b>Ordinary Business:</b>				
1	Ordinary Resolution for adoption of Audited Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2020 along with Board's Reports and Auditors' Report thereon.			
2	Ordinary Resolution for appointment of a director in place of Mr. Siddharth Shah (DIN: 05304116), Director, who retires by rotation and being eligible, offers herself for re-appointment.			
3	Ordinary resolution appointment of Mr. Kaustubh Paunikar (DIN: 08621592) as an independent director of the company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2020

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re 1/-

**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, 3<sup>rd</sup> Floor, 'Artefact Towers', 54/3, Chhatrapati Square, Wardha Road, Nagpur 440 015

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

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

### FOR KIND ATTENTION OF SHAREHOLDERS

Dear Shareholder(s),

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

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

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

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

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

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

Kindly submit the above details duly filled in and signed at the appropriate place to the Registrar & Share Transfer Agents of the Company viz. "LINK INTIME INDIA PRIVATE LIMITED, C-101, 1<sup>ST</sup> FLOOR, 247 PARK, LAL BAHADUR SHASTRI MARG, VIKHROLI (WEST) MUMBAI 400 083"

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

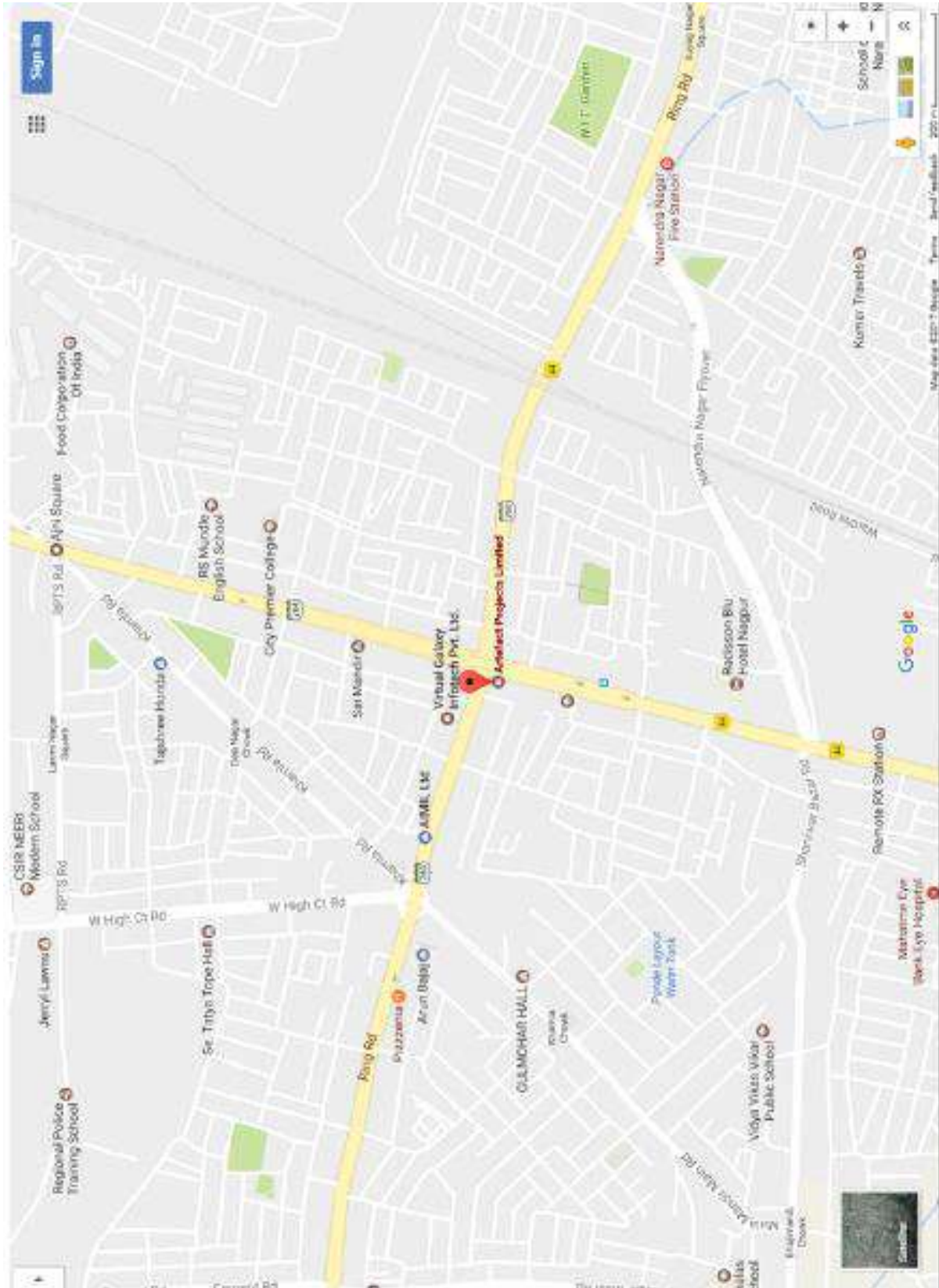
Thanking You,

For Artefact Projects Limited

Sd/-

Siddharth Shah  
Whole Time Director  
DIN: 05304116

# Route Map





## 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.