



# **ANNUAL REPORT**

**2016-17**

**INDEX**

Corporate Information.....	1
Notice .....	2
Board' Report along with Annexure.....	12
Independent Auditor's Report on Standalone Financial Statements .....	45
Standalone Financial Statements .....	55
Attendance Sheet and Proxy Form .....	68

## **CORPORATE INFORMATION**

### **Board of Directors**

Ashokkumar Thakker  
*Chairman and Managing Director*

Piyush Thakkar  
*Executive Director*

Dharmishthaben Thakkar  
*Non Executive Director*

Krunal Mistry  
*Independent Director*

Viral Ranpura  
*Independent Director*

### **Audit and Risk Management Committee**

Krunal Mistry  
*Chairman*

Viral Ranpura  
*Member*

Ashokkumar Thakker  
*Member*

### **Nomination Remuneration Committee**

Krunal Mistry  
*Chairman*

Viral Ranpura  
*Member*

Dharmishthaben Thakkar  
*Member*

### **Stakeholder Relationship Committee**

Krunal Mistry  
*Chairman*

Viral Ranpura  
*Member*

Ashokkumar Thakker  
*Member*

### **Company Secretary**

Ziral Pankajkumar Soni

### **Chief Finance officer**

Kirtar Satubhai Munshi

### **Statutory Auditors**

Dhiren Shah & Co.  
Chartered Accountants  
Ahmedabad.

### **Secretarial Auditor**

Vivek Vakharia  
Company Secretary  
Ahmedabad

### **Bankers**

HDFC Bank Limited  
ICICI Bank Limited

### **Registrar and Share Transfer Agent**

Sharex Dynamic India Private Limited  
Unit-I, Luthra Industrial Premises, Safed Pool,  
Andheri Kulra Road, Andheri (East), Mumbai 400  
072, Maharashtra, India.  
(O) 022 2851 5606 / 44  
(F) 022 2851 2885  
(E) [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

### **Registered Office:**

Art Nirman Limited  
CIN: U45200GJ2011PLC064107  
14, JBR Arcade, 2<sup>nd</sup> Floor,  
Nr. R K Royal Hall, Science City Main Road,  
Sola, Ahmedabad 380060.  
(o) +91 88664 04499  
Email id: [info@artnirman.com](mailto:info@artnirman.com)  
(W) [www.artnirman.com](http://www.artnirman.com)

### **Construction Site:**

Shree Vishnudhara Cross Roads,  
Gota, Ahmedabad

Shree Vishnudhara Gardens  
Gota, Ahmedabad

## **NOTICE**

**Notice** is hereby given that 06<sup>th</sup> Annual General Meeting of members of Art Nirman Limited will be held on Saturday, 30<sup>th</sup> September 2017 at Club Babylon, S P Road, Nr. Science City Circle, Bhadaj, Ahmedabad 380060, Gujarat, India at 10:00 a.m. at to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **01. Adoption of Audited Financial Statements:**

To consider and if though fit, to pass, with or without modification the following resolution as an **Ordinary Resolution:**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended on 31<sup>st</sup> March 2017, including Audited Balance Sheet as at 31<sup>st</sup> March 2017 and the statement of Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon.

#### **02. Re-appointment of Directors Retiring by Rotation:**

To appoint a Director in place of Ms. Dharmishthaben Thakkar (DIN: 03423373), who, retires by rotation and being eligible offers herself for reappointment.”

#### **03. Re-Appointment of Statutory Auditors:**

To consider and if though fit, to pass, with or without modification the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, M/s. Dhiren Shah & Co, Chartered Accountants, Ahmedabad (FRN: 114633W) be and are hereby re-appointed as Statutory Auditors of the Company to hold office until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

#### **04. Appointment of Mr. Piyush Thakkar as Executive Director:**

To Consider and if thought fit, to pass with or without modification, the following resolution as a **Ordinary Resolution:**

“RESOLVED THAT pursuant to provisions of section 196, 197, 198 and 203 of Companies Act 2013 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder, including any statutory modification(s), re-enactment thereof for the time being in force, (hereinafter referred to as “Act”) and subject to such other approvals as may be necessary, **Mr. Piyushkumar Chandrakantbhai Thakkar holding DIN 07555460**, be and is

hereby appointed as a Executive Director of the Company, not liable to retire by rotation for the term of three years expiring on 06<sup>th</sup> September 2020 on the following terms and conditions:

Sr. No	Particulars	Details
1	Period of Appointment	3 Years effective from 08 <sup>th</sup> September 2017.
2	Total Remuneration	Total remuneration up to INR 900,000/- per annum subject to overall ceiling prescribed under section 197 read with Schedule V to the Act. He shall not be entitled to receive sitting fees for attending the meetings of the Board of Directors or a committee thereof.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay **Mr. Piyushkumar Chandrakantbhai Thakkar**, in respect of such financial year, remuneration by way of salary, allowances, perquisites and other benefits as the Board may deem fit, subject to the limits and conditions prescribed in Section II of Part II of Schedule V of the Act, for the time being in force.”

**05. Increase in Borrowing Powers of the Company up to INR 300 Crore:**

To Consider and if thought fit, to pass with or without modification, the following resolution as **Special Resolution:**

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members in their meeting held on 03<sup>rd</sup> November 2015, the consent of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, under Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of moneys from time to time notwithstanding that the money or moneys to be borrowed, together with the moneys already borrowed by the Company, may exceed aggregate of its paid-up capital and free reserves, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, provided however, the total amount so borrowed shall not exceed INR 300 Crore (Rupees Three Hundred Crore only).”

**06. Giving Loans / Guarantee and making Investment exceeding sixty per cent of Paid up share capital, free reserves and securities premium or hundred per cent of Free Reserves and securities premium account.**

**To consider and if thought fit to pass with or without modification the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to provisions of section 186 of Companies Act and other applicable provisions, if any, of the companies Act 2013 and the rules made there under, including statutory modification(s), re enactments thereof, for the time being in force and subject to such approvals, consents as may be required, consent of the members of the Company be and is hereby accorded to the Board of Directors (The Board, which term shall include any committee constituted by the board or any person authorized by the Board to exercise powers conferred by this resolution.) to give loans, give guarantees or provide securities and / or acquire by way of subscription, purchase or otherwise the securities of any company up to an aggregate amount not exceeding

INR 100 Crores, notwithstanding that the aggregate amount of loans already given or to be given and securities so far acquired or to be acquired or investment made or to be made may collectively exceed the limits prescribed under section 186 of Companies Act 2013.”

**By order of the Board  
For Art Nirman Limited**

**Ashokkumar Thakker  
Chairman and Managing Director**

**Place: Ahmedabad  
Date: 08<sup>th</sup> September 2017  
Registered office:  
14, JBR Arcade, Nr. R K Royal Hall,  
Science City Road, Sola,  
Ahmedabad 380060,  
Gujarat, India.**

## **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her self and the proxy need not be the member of the company. A person can act as proxy on behalf members not exceeding 50 (fifty) and holding in aggregate not more than 10% (ten per cent) of share capital of the Company. However a member holding more than 10% (ten per cent) of share capital in company may appoint a single person as proxy and in such case proxy shall not act as proxy for any other member.
2. A form of proxy is herewith attached. The proxies in order to be effective must be submitted at the registered office of the company not less than 48 hours before the commencement of the meeting duly signed by the member.

Proxies submitted on behalf of the Companies, Societies etc. must be supported by an appropriate resolution/ authority, as applicable. Members/ proxies/ authorized representative are requested to bring the attendance slip sent herewith, duly filled in for attending the meeting.

3. In case of joint holders, only a 1<sup>st</sup> Joint holder will be permitted to vote.
4. The Register of Members and Share Transfer Register of the company will remain closed from September 25, 2017 to September 30, 2017 (both days inclusive) for Annual General Meeting for Financial Year 2016-17.
5. The Statement pursuant to section 102 of Companies act 2013 and /or Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2016 with regard to Explanatory Statement is herewith annexed to this notice.
6. Members are requested to inform the company of any change in their addresses immediately so as to enable the Company for any further communication at their correct addresses.
7. The Companies Act provides nomination facility to the members. As a member of the Company you have an option to nominate any person as your nominee to whom you shares shall vest in case of unfortunate event of death. It is advisable to avail this facility especially by the members holding shares on single name. This nomination would avoid process of acquiring rights in shares through transmission. In case of joint holders, nomination shall be effective only on death of the all the joint holders. If the shares are held in Dematerialized form, the nomination form needs to be forwarded to your Depository Participant.
8. Trading in Equity Shares of the Company is compulsorily in Dematerialized mode by all the investors.
9. Members seeking any information or clarification on the accounts are requested to send written queries to the Company; at least 10 days before the meeting to enable the management keep the required information available at meeting.
10. Annual Report for the financial year 2016-17 of the company has been uploaded on website of the Company [www.artnirman.com](http://www.artnirman.com).

11. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the Company during normal business hours up to the date of and during the Annual general Meeting.
12. Electronic copy of the Notice along with Annual Report including remote E Voting instructions, Attendance Slips, Proxy Form is being sent to all the members whose emails id are registered with the Company / Depository Participants for communication purpose. For members who have not registered their email ids, physical copy of notice along with Annual Report including Remote E Voting instructions, Attendance Slips, Proxy Form is sent by permitted mode of dispatch.
13. For protection of environment and to conserve natural resources, members are requested to register their emails, with Company / RTA or Depository Participant to enable company to send communication including Annual Report, notices, circulars etc. electronically.
14. Members holding shares in physical form in multiple folios on the same name and in the same order are requested to consolidate all their folios. For this purpose, application may be submitted to Registrar and Share Transfer Agent of the Company.
15. Voting rights shall be reckoned on the paid up value of shares registered in the name of the Member / beneficial owner as on the cutoff date i. e. Friday, 22<sup>nd</sup> September 2017.
16. In terms of section 108 of Companies Act 2013 read with Companies (Management and Administration) Rules 2014, as amended from time and time and as per Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Company is pleased to provide the remote e voting facility through Central Depository Services Limited (CDSL) to its members holding shares in physical or dematerialized form, as on cutoff date to exercise their right to vote by electronic means on any or all of the business specified in the accompanying notice.

This is to clarify that it is not mandatory for a member to vote using the E voting facility and a member may avail the facility at his / her discretion, subject to compliance with the instruction for Remote E-Voting.

Further in case of Members who are entitled to vote, amongst members present in person at the meeting, but have not exercised right to vote by electronics means, the Chairman of the Company shall allow voting by way of poll in terms of Rule 20(4)(xi) of the said rules for the business specified in the accompanying notice.

It is specifically clarified that members who have exercised their right to vote by remote electronics means, may be allowed to participate in Annual General Meeting but shall not be eligible to vote by way of poll at the meeting as per proviso to Rule 20(4)(vii).

The Information with respect to voting process and other instructions regarding remote e-voting are detailed in note no. 20.

17. Shri Vivek Vakharia, Practicing Company Secretary, Ahmedabad (Mem. No. 48242) has been appointed as Scrutinizer to scrutinize voting and remote e voting process in fair and transparent manner.
18. The Scrutinizer shall within a period not exceeding 2 (Two) working days from the conclusion of the Annual General Meeting make a Consolidated Scrutinizer's Report of the votes cast in favour or



against, if any, and submit the same to the Chairman of the meeting or a person so authorized by him in writing, who shall countersign the same.

19. The results shall be declared forthwith by the Chairman or a person so authorized by him in writing on receipt of report from the Scrutinizer. The Results declared along with Scrutinizer's Report shall be placed on the Company's website [www.artnirman.com](http://www.artnirman.com) and on the website of CDSL.
20. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to the same being passed with requisite majority.
21. Voting process and other instructions regarding Remote E Voting:

### **Section A: Voting Process**

The members should follow the following steps to cast their votes electronically:

- Step 1: Open your web browser during the voting period and log on to the e-voting Website: [www.evotingindia.com](http://www.evotingindia.com)
- Step 2: Click on "Shareholders" to cast your vote(s).
- Step 3: Please enter User ID –
  - a) For account holders in CDSL: Your 16 digits beneficiary ID.
  - b) For account holders in NSDL: Your 8 Character DP ID followed by 8 Digits Client ID.
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Step 4: Enter the Image Verification as displayed and Click on "Login".
- Step 5: If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting for any company, then your existing password is to be used. If you have forgotten the password, then enter the User ID and the image verification code and click on "Forgot Password" and enter the details as prompted by the system.
- Step 6: Follow the steps given below if you are a first time user either holding shares in Demat or Physical form:
  - 6.1 (a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both, members holding shares in physical or dematerialized form)

**Members holding shares in physical form** and who have not updated their PAN or have incorrect PAN with the Company are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. If the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of your name in CAPITAL letters.

E.g. If your name is SATISH SHAH with sequence number 3 then enter SA00000003 in the PAN field.

- 6.1 (b) Enter the Date of Birth (DOB) as recorded in your demat account or registered with the Company for the said demat account or folio in dd/mm/yyyy format.
- 6.1 (c) Enter the Dividend Bank Details (account number) as recorded in your demat account or registered with the Company for the said demat account or folio. #

# please enter either the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in Step 3.

6.2 After entering these details appropriately, click on "SUBMIT" tab.

6.3 **For Demat holding:**

Members holding shares in demat form will now reach "Password Creation" menu wherein they are required to create 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.**

**For Physical holding:**

Members holding shares in physical form will then directly reach the Company selection screen. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Step 7: Click on the EVSN of the Company mentioned against "Art Nirman Limited" to vote.

Step 8: 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 for casting your vote.

Step 9: Click on Resolution File link if you wish to view the Notice.

Step 10: 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.

Step 11: Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote. You can also take print-out of the voting done by you by clicking on "Click here to print" option on the Voting page.

**Section B: Other instructions regarding Remote e-voting**

- i) The Remote e-voting period shall commence Wednesday, 27<sup>th</sup> September 2017 at 09.00 am and shall end on Friday 29<sup>th</sup> September 2017 at 05.00 pm. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date as the 22<sup>nd</sup> September 2017, may cast their votes electronically. The e-voting module shall be disabled for voting thereafter.
- ii) Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are additionally requested to note and follow the instructions mentioned below, if they are first time user.
  - Institutional Shareholders and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which user wishes to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- iii. Institutional Shareholders (i.e. members other than Individuals, HUF, NRI, etc.) are required to upload the following in PDF format in the system for the scrutinizer to verify the same
- Copy of the Board Resolution (where institution itself is voting).
  - Power of Attorney issued in favour of the Custodian (if PoA is not uploaded earlier) as well as Board Resolution of custodian.
- iv. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently or cast the vote again.
- v. Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
- vi. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**By order of the Board  
For Art Nirman Limited**

**Ashokkumar Thakker  
Chairman and Managing Director**

**Place: Ahmedabad  
Date: 08<sup>th</sup> September 2017  
Registered office:  
14, JBR Arcade, Nr. R K Royal Hall,  
Science City Road, Sola,  
Ahmedabad 380060,  
Gujarat, India.**

## **Explanatory Statement pursuant to Section 102 of Companies Act 2013:**

### **Item No. 4:**

Mr. Piyush Thakkar was appointed as Additional Director on the Board of Company w. e. f. 08<sup>th</sup> September 2017 under the category of Promoter Additional Director. As per the provisions of Section 161 of the Companies Act 2013 read with provisions of Articles of Association, he holds the office of Director till the commencement of ensuing Annual General Meeting. The Company has received a notice in writing under Section 160 of Companies Act 2013 along with requisite deposit from a shareholder proposing candidature of Mr. Piyush Thakkar. Details required to be provided to shareholders under Regulation 36(3) of SEBI (LODR) Regulations 2015 is as under:

Name of Director	Piyush Thakkar
Fathers Name	Chandrakant Thakkar
Date of Birth	12.11.1982
DIN	07555460
PAN	AEJPT8651B
Education Qualification	Graduate
Experience	More than Ten years of Experience in Real Estate Sector.
Other Directorship / Partnership in other Entities	Vishnudhara Buildcon LLP – Partner
Nature of Expertise in functional area	Business Management for Real Estate Company.
Disclosure of relationship between Directors <i>inter se</i> .	Member of Promoter Group.
Names of Listed entities in which the person holds the Directorship and the membership of Committees of the Board.	Not Applicable

The Board recommends Resolution No. 4 of the Notice, in relation to appointment of Mr. Piyush Thakkar, as Director, for your approval as an Ordinary Resolution.

Mr. Ashokkumar Thakkar and Ms. Dharmishthaben Thakkar being Directors of the Company and being relatives of Proposed Directors are to that extent concerned or interested in the resolution.

### **Item No. 5:**

The Company is engaged into the Real Estate business, where the requirement of Working Capital and Capital Investment amount is very huge always. In that regard, Company may be required to borrow funds in excess of the limits prescribed under provisions of Section 180(1)(C) of Companies Act 2013 and in excess of limits approved by the members of the Company in General Meeting from time to time.

Hence it is proposed to increase the limit for borrowing of the funds in excess of prescribed limits but not exceeding INR 300 Crore. Such increase in powers of the Board to borrow funds requires prior permission of the members by passing Special Resolution in General Meeting.

None of the Directors of the Company is in any interested or concerned in the proposed resolution.

The Board recommends Resolution No. 5 of the Notice, in relation to increase in limits for borrowing of the funds, for your approval as Special Resolution.

**Item No. 6:**

Pursuant to provision of Section 186 of Companies Act 2013, Company is permitted to give loan, guarantee or to advance loan or to make investment upto 60% of its paid up share capital and free reserves or upto 100% of its free reserves. Investment beyond that prescribed limit, requires prior permission from members to be obtained by passing Special Resolution in duly convened General Meeting.

Company is engaged into Real Estate business and may be required to invest the funds in the interest of the Company in excess of the aforementioned prescribed limits. Hence as a matter of prudence, it is proposed to increase the limits prescribed under provisions of Section 186 of Companies Act but not exceeding INR 100 Crores.

None of the Directors of the Company is in anyway interested or concerned in the proposed resolution.

The Board recommends Resolution No. 6 of the Notice, in relation to increase in limits prescribed under section 186 of Companies Act 2013, for your approval as Special Resolution.

**By order of the Board  
For Art Nirman Limited**

**Ashokkumar Thakker  
Chairman and Managing Director**

**Place: Ahmedabad  
Date: 08<sup>th</sup> September 2017  
Registered office:  
14, JBR Arcade, Nr. R K Royal Hall,  
Science City Road, Sola,  
Ahmedabad 380060,  
Gujarat, India.**

## **DIRECTORS' REPORT**

Dear Members,

Your Directors take pleasure in presenting the 6<sup>th</sup> Annual Report since Incorporation and 1<sup>st</sup> Annual Report after Initial Public Offering along with Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2017. The Board of Directors feel pleasure and is very much thankful to all the stakeholders of the company who have shown their trust and interest in subscribing to the Initial Public Offer of the Company.

### **State of Company's affairs:**

- Company has completed construction of its own Scheme "Shree Vishnudhara Cross Roads" a 2 & 3 BHK Luxurious Apartments and shops, at Gota, S G Highway, Ahmedabad during the year which consist of 154 Residential Flats and 25 Commercial Shops. Almost all the flats and shops have been sold out. Company takes pride for its tremendous response during short term even during competitive real estate market.

### **"Shree Vishnudhara Cross Roads"**



- Company has launched another Residential and Commercial Scheme on the name of “Shree Vishnudhara Gardens” near Gota at Ahmedabad. 45% of the construction work is already completed and the rests is under construction. The plan of the scheme consists of 350 Residential Flats and 117 Commercial Shops. Estimated project Cost of the Scheme is INR 150 Crore. Company expects to complete the construction of the Scheme by the end of FY 2017-18.

**“Shree Vishnudhara Gardens”**



- During the year, the company has entered into Work Contract Agreement with Dharma Developers relating to project “Vishnudhara Homes” from which company has gained revenue of INR 13.27 Crores during the year.
- During the year the company has got works contract from Art Club Private Limited for Club Babylon and the construction and development expenses incurred during the year has been shown as Construction work in progress “Club Babylon” for which works contract receipts will accrue to the Company from the financial year 2017-18 as per the agreement entered into between the Company and Art Club Private Limited.
- The company has entered into a Tri-Partite agreement with the Director Ms. Dharmishtaben Thakkar, who is owner of the land and with Art Club Private Limited. As per the Tri-Partite agreement, the company has to build and develop First Club Facility infrastructure on the said land to be used by Art Club Pvt. Ltd. for a period of five years. The Art Club Pvt. Ltd. has to provide interest free security deposit to the company. As per the terms of the agreement, after a period of five years from the date of execution of Tri-Partite agreement the company will handover the First Club Facility infrastructure to the land owner Smt. Dharmishtaben Thakkar on as it is and where it is basis and the company will refund the interest free security deposit to Art Club Pvt. Ltd. It is further agreed that the company will charge rent of the First Club infrastructure for a period of four years starting from financial year 2017-18 from Art Club Pvt. Ltd. at INR 2,25,000/- per month.

### **Summary of Financial Results**

During the year under review, your Company has achieved total net sales of INR 2571.06 lakhs and achieved Net Profit After Tax (NP) of INR 36.50 Lakhs. The aggregate revenue of the Company increased marginally by 1.28% compared to P Y 2015 16. However the Profit Before Tax of the Company decreased by 4.74% due to increased cost of construction. The Directors of the Company are hopeful to gain good returns in the years to come from it's under construction scheme “Shree Vishnudhara Gardens” 2 & 3 BHK Apartments, showrooms, Shops and offices, Residential and Commercial scheme at Gota, Ahmedabad.

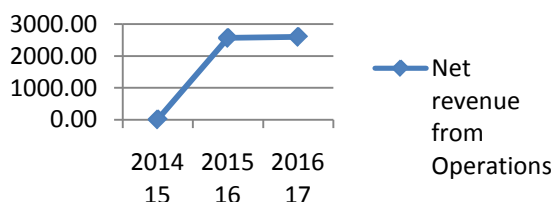
The highlights of financial figures for the year 2016-17 in comparative format are as under:

**(Standalone) (INR in Lakhs)**

<b>Particulars for the year ended</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Net revenue from Operations	2596.63	2563.76
Profit Before Depreciation and Tax	103.40	82.05
Less: Depreciation	34.18	9.39
Profit Before Tax	69.21	72.66
Less: Provision for Taxation (including deferred tax)	14.28	19.87
Profit After Tax	36.50	51.19
EPS (Basic)	0.48	14.71
EPS (Diluted)	0.48	14.71

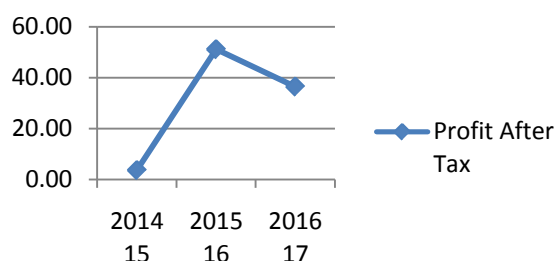


## Net revenue from Operations



(Revenue INR in Lakhs)

## Profit After Tax



(Profit After Tax INR in Lakhs)

### **Dividend**

Your Board of Directors feel that it is prudent to plough back the profits of the Company for future growth of the Company and therefore do not recommend any dividend for the year ended March 31, 2017.

### **Transfer of Unclaimed Dividend to Investor Education and Protection Fund**

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 does not apply.

### **Change in the nature of business, if any-**

During the year, there is no change in the nature of business of the Company.

### **Reserves**

During the year under review, the Company has not transferred any amount to Reserves account.

### **Subsidiary, Joint Ventures and Associate Companies**

The Company does not have any subsidiary Company. The Company does not have any Associate Company. The Company has not entered into any Joint Ventures Agreement during the year.

### **Consolidated Financial Statements**

Company doesn't have any subsidiaries and hence company is not required to prepare consolidated financial statement for the F. Y. 2016-17.

### **Public Deposit**

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 ("the Act") read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

### **Share Capital:**

During the year under review, the Company raised equity share capital two times, details whereof are as under:

- Allotment of 16,00,000 Equity Shares of INR 10/- each at premium of INR 15/- per share aggregating to INR 4,00,00,000/- (Rupees Four Crores only) by conversion of outstanding loan of Director into Equity Shares of the Company pursuant to provisions of Section 62(1)(C) of Companies Act 2013 on 07<sup>th</sup> September 2016.
- Allotment of 20,04,000 Equity Shares of INR 10/- each at premium of INR 15/- per share aggregating INR 5,01,00,000/- (Rupees Five Crores One lakh only) by allotment of shares pursuant to Initial Public Offer on 14<sup>th</sup> October 2016.

### **Particulars of Loan, Guarantees or Investment:**

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

### **Particulars of Related Party Transaction:**

During the year, Company has entered into related party transactions at Arm's length price and disclosures in that regard have been made in **Annexure A** in prescribed format AOC-2 and forms part of this report.

There are no contracts entered into by the Company which are "Not at Arm's Length basis" and hence no disclosure in that regard is made.

### **Extract of the Annual Return**

The extract of the Annual Return in prescribed MGT-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure B** and forms part of this report.

### **Directors and Key Management Personnel:**

#### **Composition of Board & Board Meetings**

The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors in compliance with provisions of Section 149 of Companies Act 2013. As on 31<sup>st</sup> March 2017, the Board of Company comprises of 4(Four) Directors, out of which 1 Director is Executive Promoter Director, 1 Women Director is Non Executive Promoter Director and 2 other Directors are Non Executive Independent Directors. The Chairman of the Board is an Executive Director.

The Board of Directors duly met 11 times on 01.04.2016, 11.07.2016, 04.08.2016, 03.09.2016, 26.09.2016, 10.10.2016, 14.10.2016, 21.12.2016, 13.01.2017, 21.02.2017 and 28.03.2017 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each director in various companies is as per Table 1 herein below mentioned.

Name of Director	Designation	Category	No of Board Meetings held during the year	No of Board Meetings attended during the year	Attendance at the AGM
Ashokkumar Raghuram Thakker *	Chairman & Managing Director	Promoter	11	11	Yes
Dharmisthaben Ashokkumar Thakkar	Non - Executive Director	Promoter	11	11	Yes
Viral Deepakbhai Ranpura #	Non-Executive Director	Independent	8	6	Yes
Krunal Kiritkumar Mistry ##	Non-Executive Director	Independent	8	8	Yes

\* Ashokkumar Raghuram Thakker was appointed as a Managing Director w. e. f. 03.09.2016.

# Viral Deepakbhai Ranpura was appointed as Independent Director w. e. f. 03.09.2016.

## Krunal Kiritkumar Mistry was appointed as Independent Director w. e. f. 03.09.2016.

### **Appointment:**

#### **Mr. Ashokkumar Raghuram Thakker:**

Mr. Ashokkumar Raghuram Thakker, is the Executive Promoter Director (DIN: 02842849) of the Company. His designation was changed to Managing Director of the Company by the Board of Directors in their Board Meeting held on 03<sup>rd</sup> September 2016 and was subsequently confirmed by the members of the Company in their Annual General Meeting held on 07<sup>th</sup> September 2016 for a period of 5 years expiring on 06<sup>th</sup> September 2021.

#### **Mr. Viral Deepakbhai Ranpura:**

During the year under review, in accordance with the provisions of Section 149(1) and 161(1) of the Companies Act, 2013 Mr. Viral Deepakbhai Ranpura (DIN: 07177208) was appointed as Non Executive Independent - Additional Director by the Board of Directors of the Company in their Meeting held on 03<sup>rd</sup> September 2016 and their appointment was confirmed by the members of the Company in their Annual General Meeting held on 07<sup>th</sup> September 2016.

#### **Mr. Krunal Kiritkumar Mistry:**

During the year under review, in accordance with the provisions of Section 149(1) and 161(1) of the Companies Act, 2013 Mr. Krunal Kiritkumar Mistry (DIN: 07555458) was appointed as Non Executive Professional – Additional Director by the Board of Directors of the Company in their

Meeting held on 04<sup>th</sup> August 2016 and subsequently their designation was changed to Non Executive Independent Director in the Board Meeting held on 03<sup>rd</sup> September 2016. Appointment of Mr. Krunal Kiritkumar Mistry was confirmed by the members of the Company in their Annual General Meeting held on 07<sup>th</sup> September 2016.

During the year, none of the Directors of the Company have resigned from the Board. There are no Directors on the Board of Company whose term expires in the ensuing Annual General Meeting and hence no such approvals are required to be taken in that regard.

#### **Directors whose term is liable to determination by retirement by rotation:**

In accordance with the provisions of Companies Act 2013 and its Articles of Association, the term of Ms. Dharmishthaben Ashokkumar Thakkar holding DIN: 03423373, being Non Executive Promoter Director, is liable to retire by rotation and being eligible offers herself for reappointment as Director of the Company. Necessary resolution for her reappointment is placed before the members for their approval in Annual General Meeting.

#### **Declaration from Independent Director**

Pursuant to provisions of Section 149(7) of Companies Act 2013, the Company has received necessary declarations from each of the Independent Director confirming that they meet the criteria of independence as prescribed under section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the year under review the Independent Directors duly met on 02<sup>nd</sup> January 2017 and all the Independent Directors were present at the meeting.

#### **Policy on Directors' Appointment:**

Pursuant to provisions of section 178 read with 134(3)(e) of Companies Act 2013, The Nomination and Remuneration Committee (NRC) has approved the criteria and process for identification / appointment of Directors which are as under:

##### **Criteria for Appointment:**

The proposed Director shall meet all statutory requirements and should:

- Possess highest values, ethics and integrity.
- Not have any direct or indirect conflict with business operations.
- Be willing to devote time and efforts.
- Have relevant experience.
- Have understanding about corporate functionality.
- Understand real value of stakeholders.

##### **Process for identification of Directors / Appointment of Directors:**

- Board Members may suggest any potential person to the Chairman of the Company meeting the above criteria. If the chairman deems fit, recommendation will be made by him to NRC.
- Chairman himself can also recommend a person to NRC.

- NRC shall process and evaluate the proposal and shall submit their recommendation to Board.
- Board shall consider such proposal on merit and decide suitably.

**Criteria for Performance Evaluation:**

The Board considered and approved criteria for performance evaluation of itself and that of its committees and individual directors.

**Criteria for Board Evaluation:**

- Focus on strategic decisions.
- Qualitative discussion and processes.

**Criteria for Committee Evaluation:**

- Fulfillment of allotted responsibilities.
- Effectiveness of recommendation, meetings.

**Criteria for Independent and Non Independent Directors' evaluation:**

- Contribution through their experience and expertise.
- Focus on Stakeholders' interest.

**Manner of evaluation of Board, Its Committees and Individual Directors:**

The Evaluation of Board, its Committees and Individual Directors was carried out as per process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The obtaining and consolidation of feedback from all Directors in this regards, was coordinated by the Chairman of Independent Directors' meeting for Board and Non-Independent Directors while the process of evaluation of the Independent Directors was coordinated by the Chairman of the Company. Based on this, Chairman of the Company brief the Board and each of the Individual Directors, as applicable.

**Remuneration Policy:**

The Company has formulated a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company which is as under:

**A) Components of Remuneration:**

- Fixed Pay comprising Basic Salary, HRA, Car Allowance (applicable to General Managers & above employees), Conveyance Allowances / Reimbursement, Company's contribution to Provident Fund, Superannuation Fund, Gratuity, etc.
- Variable Pay, which is either in the form of: Commission to Managing Directors and Commission to Whole-time Directors

**B) Annual Appraisal process:**

- Annual Appraisals are conducted, following which annual increments and promotions in deserving cases are decided once in a year based on:

- Employees self-assessment
- Assessment by Immediate Superior and
- Assessment by Head of Department

Annual Increment leading to an increase in Fixed Pay consists of Economic Rise based on All India Consumer Price Index published by the Government of India or Internal Survey wherein inflation on commonly used items is calculated.

### **C) Remuneration of Independent Directors:**

The Company has formulated a policy for the remuneration of Independent Directors as follows:

- Reimbursement of Expenses incurred by Independent Directors for attending any meeting of the Board.

### **Chief Financial officer:**

Mr. Kirtar Satubhai Munshi was appointed as Chief Financial Officer of the Company w. e. f. 03<sup>rd</sup> September 2016.

### **Company Secretary**

Ms. Ziral Pankajkumar Soni, a member of Institute of Company Secretaries of India was appointed as Company Secretary of the Company w. e. f. 03<sup>rd</sup> September 2016.

### **Audit Committee**

The Audit Committee of the Company was duly constituted on 07.09.2016 in compliance with requirements of SEBI (LODR) Regulations 2015 and provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations 2015. The Members of the Committee are:-

<b>Name</b>	<b>Category</b>	<b>Position</b>	<b>Number of meetings held</b>	<b>Number of meetings attended</b>
Krunal Kiritkumar Mistry	Independent	Chairman	4	4
Viral Deepakbhai Ranpura	Independent	Member	4	4
Ashokkumar Raghuram Thakker	Promoter	Member	4	4

Two third of the members of the Committee are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee

financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications, compliance with Accounting Standard etc. and oversee compliance with Stock Exchange and requirements concerning financial statements and fixation of legal audit fee as well as payment for other services etc.

4 (Four) Audit Committee meetings were held during the year 2016-17 at the Registered Office of the 15.09.2016, 12.11.2016, 14.02.2017 28.03.2017. The Company Secretary acts as Secretary to the Audit Committee

Pursuant to provisions of Rule 7 of Companies (Meetings of Board and its Powers) Rules 2014, Vigil Mechanism is being reviewed by the Audit Committee duly constituted. The provisions of Regulation 22 of SEBI (LODR) Regulations 2015 are not applicable to the Company as securities of the Company are listed on SME platform of Stock Exchange.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted on 07.09.2016 in accordance with SEBI (LODR) Regulation 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Company Secretary acts as the Secretary to the committee and the Members of the Committee are:

<b>Name</b>	<b>Category</b>	<b>Position</b>	<b>No. of meetings held</b>	<b>No. of meetings attended</b>
Krunal Kiritkumar Mistry	Independent	Chairman	2	2
Viral Deepakbhai Ranpura	Independent	Member	2	2
Dharmistha Ashokkumar Thakkar	Promoter	Member	2	2

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key managerial Personnel and other employees. The said policy is available on the website of the Company.

Two meetings were held during the year 2016-17 at the Registered Office of the Company on 15.09.2016 and 28.03.2017.

### **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was constituted on 07.09.2016 in compliance with provisions of section 178 of Companies Act 2013 and requirements of Regulation 20 of SEBI (LODR)

Regulations 2015. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name	Category	Position	Number of meetings held	Number of meetings attended
Krunal Kiritkumar Mistry	Independent	Chairman	4	4
Viral Deepakbhai Ranpura	Independent	Member	4	4
Ashokkumar Raghuram Thakker	Promoter	Member	4	4

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrar and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which was initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

Four meetings were held during the year 2016-17 at the Registered Office of the Company on 15.09.2016, 12.11.2016, 14.02.2017 and 28.02.2017.

### **Compliance Officer**

The Compliance officer of the Company is M s. Ziral Pankajkumar Soni, being the member of Institute of Company Secretaries of India, designated as Company Secretary and Compliance officer of the Company w. e. f. 03.09.2016.

### **Statement on Formal Annual Evaluation of Board:**

Nomination and Remuneration Committee annually evaluates the performance of individual directors, Committees and of the Board as a Whole in accordance with the formal system adopted by the Board. Further, the Board also, regularly in their Board Meeting held for various purposes, evaluates the performance of the individual directors, committees and of the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of Board Members.

### **Directors' Responsibility Statement**

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

- (a) In the preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for that period under review.



- (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 had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (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.

**Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of report.

**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 are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

**Auditors**

**Statutory Auditor**

M/s Dhiren Shah & Co., Chartered Accountants, is the statutory auditors of the company and are entitled to hold office of Auditor until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. Members of the Company at the Annual General Meeting held on September 30, 2015 had approved the appointment of M/s Dhiren Shah & Co., as the Statutory Auditors as required by the provisions of the Companies Act, 2013 and their appointment is required to be ratified by members each year at the Annual General Meeting.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting and therefore it is proposed to ratify the appointment of M/s. Dhiren Shah & Co., Chartered Accountants, as the Statutory Auditors of the Company for FY 2017-18.

The consent of M/s. Dhiren Shah & Co., Chartered Accountants along with the certificate under Section 139 of the Act has been obtained to the effect that their appointment, if ratified, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of the Auditors of the Company.

There are no qualifications, reservations or adverse remarks made by M/s. Dhiren Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, in their report.

## **Board's Comment on the Auditors' Report**

Notes to Accounts & Auditors remarks in the Auditors' report are self explanatory and do not call for any further comments.

## **Secretarial Auditor**

Mr. Vivek Vakharia, Practicing Company Secretaries, Ahmedabad was appointed as Secretarial Auditor of the Company to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules. Secretarial Audit Report given by Mr. Vivek Vakharia, Practicing Company Secretaries, Secretarial Auditor of the Company forms part of this report and is marked as **Annexure-C**.

The Secretarial Audit Report is self explanatory and does not contain any qualification or reservation for FY 2016 17.

## **Cost Audit**

Central Government has not notified audit of the cost records maintained by the company in respect of the Products/services manufactured by the company for the year under review. Company is not required to maintain cost records as per sub-section (1) of section 148 of the Companies Act, 2013.

## **Internal Audit**

D. K. Thakkar & Co, Chartered Accountant, Ahmedabad was appointed as Internal Auditor of the Company to conduct Internal audit pursuant to the provisions of Section 138 of the Companies Act, 2013 and rules made thereunder.

## **Particulars of Employees and Related Disclosures:**

Disclosure under provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given herein below:

Sr. No.	Name and Designation	Ratio of Remuneration of Director to Median Remuneration of Employee	% Increase in remuneration for FY 2016 17
		Sub Clause (i) of Rule 5(1)	Sub Clause (i) of Rule 5(1)
1	Ashokkumar Raghuram Thakker Managing Director *	NIL	NIL
2	Dharmisthaben Ashookumar Thakkar Director **	NIL	NIL
3	Kirtar Satubhai Munshi # Chief Financial officer	Not Applicable	Not Applicable
4	Ziral Pankajkumar Soni Company Secretary ##	Not Applicable	Not Applicable

\* Mr. Ashokkumar Raghuram Thakker, Managing Director of the Company was not paid any remuneration during the FY 2016 17. Hence no disclosure is required w.r.t. increase in remuneration of the Company.

\*\* Ms. Dharmishtha Ashokkumar Thakkar, Director of the company was not paid any remuneration during the FY 2016 17. Hence no disclosure is required w.r.t. increase in remuneration of the Company.

# Mr. Kirtar Satubhai Munshi was appointed as Chief Financial Officer w.e.f 03.09.2016.

## Ms. Ziral Pankajkumar Soni was appointed as Company Secretary w.e.f. 03.09.2016.

Sub Clause (iii) of Rule 5 (1): The percentage increase in the remuneration of employees in the financial year 2016 17 is 54.34%. However such increase in remuneration was based on the comparative financial performance of the Company for FY 2014 15 and 2015 16.

Sub Clause (iv) of Rule 5 (1): There are 23 employees on the pay roll of the Company other than Directors on the Board of Company.

Sub Clause (viii) of Rule 5 (1): During the FY 2016 17, average salary of the Company has been increased by 45.70%. The Directors of the Company were paid Remuneration during the FY 2015 16. However they have not been paid any remuneration for FY 2016 17. Hence it is not appropriate to compare the percentile increase in remuneration of Employees with percentile increase in remuneration of Managerial personnel.

Sub Clause (x) of Rule 5(1): Directors of the Company have not been paid any Remuneration during the year.

Sub Clause (xii) of Rule 5 (1): it is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Sub Clause (i) to (iii) of Rule 5(2): Names of top ten employees of the Company and their relevant details as required to be disclosed under rule 5(3) are as under:

Sr. No	Name of Employees on payroll of Company:	Remuneration paid during the year (INR in Lakhs)	Shareholding in the Company	Relation with Director / KMP
1	Gopal Jaiswal	7.20	NIL	No
2	Umang Suthar	6.72	NIL	No
3	Upendra P. Sharma	5.72	NIL	No
4	Kirtar S. Munshi	5.00	NIL	No
5	Maulik Patel	3.36	NIL	No
6	Amratbhai Parmar	2.80	NIL	No
7	Hemaliben Thakkar	2.76	NIL	No

8	Bindesh Tripathi	2.52	NIL	No
9	Alkesh Trivedi	2.40	NIL	No
10	Ashok T Soyantar	2.04	NIL	No

### **Corporate Social Responsibility (CSR)**

The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company and hence no disclosures have been made in this regard.

### **Conservation of energy, technology absorption and foreign exchange earnings and outgo**

The Company is not engaged in manufacturing of goods and hence Company does not conserve energy. Company has neither adopted any Technology nor has spent amount for adoption of Technology during the year. There is no amount of Foreign Exchange inflow or outflow during the year and hence no disclosures have been made in this regard.

### **Environment, Health And Safety (EHS)**

The Company accords the highest priority to health, environment and safety. The Company does not carry on manufacturing operations. The Company takes utmost care for the employees and ensures compliance with the applicable rules and regulation applicable to the Company.

### **Statement regarding the development and implementation of Risk Management Policy:**

The Company has not developed or implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year is very minimal.

### **Adequacy of Internal Financial Control**

The Company has in place adequate internal financial controls with reference to financial statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, no reportable material weakness was observed.

### **Management Discussion and Analysis Report**

As stipulated in Rule 34(2)(e) read with Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the Management Discussion and Analysis Report is annexed as **Annexure D** and forms part of this Annual Report.

### **Corporate Governance Report**

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2)(b) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of

schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange.

Therefore, the Corporate Governance Report is not applicable on the Company and certificates related thereto have not been obtained and therefore not disclosed in the Annual Report.

**Disclosure with respect to Demat Suspense Account / Unclaimed Suspense Account:**

Pursuant to Para F of Schedule V of SEBI (LODR) Regulations 2015, there are no shares held in the Demat Suspense Account or Unclaimed Suspense Account.

**Listing**

Your directors are pleased to inform you that the Company during the Financial Year 2016-17 came out with the Initial Public Offer of its equity shares and received listing permission for listing of 76,04,000 Equity Shares of INR 10/- each listed on SME platform of National Stock Exchange Limited (NSE EMERGE) w. e. f. 19<sup>th</sup> October, 2016.

As on the date of this report, the shares of the Company are listed on SME platform of NSE (NSE EMERGE) and the Company has paid the annual listing fees for the year 2017-18.

**Acknowledgement**

The Directors place on record their sincere thanks to the Bankers, Business associates, consultants, customers, employees for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

**Date: 08.09.2017**  
**Place: Ahmadabad**

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

**Ashokkumar Raghuram Thakker**  
**Chairman & Managing Director**  
**DIN: 02842849**

**Annexure A**  
**Particulars of Contracts or Arrangement with Related Parties**  
**Form No. AOC 2**

(Pursuant to clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)  
Regulation 34(3) Read with Para A of Schedule V of SEBI (LODR) Regulations 2015.

Disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 under third proviso thereto at Arm's Length basis

Sr.	Name of Related Party and nature of Relationship	Nature of Contract /arrangement s / transactions	Duration of Contracts / arrangements / transactions	Salient terms of the Contract.	Justification for entering into such contract / arrangement /transaction.	Date of approval by the Board / Audit Committee	Amount paid as Advance if any.	Date of General meeting in which Ordinary resolution was passed
1	M/s Dhara Developers, Directors of the Company are Partners in Related Party.	Works Contract	7 months	Works Contract assigned for construction of scheme " Shree Vishnudhara Homes"	Employees of the Company hold good command with experience in Works Contracts.	01.04.2016	Not Applicable.	29.04.2016
2	M/s Art Club Private Limited, Directors of the company are directors of said related party	Works Contract	4 years	Works Contract for Club Babylon and Four Point by Shereton Hotel	Employees of the Company hold good command with experience in Works Contracts.	21.12.2016	Not Applicable	16.08.2016
3	Art Club Private Limited, Directors of the company are directors of said related party & Mrs. Dharmisthabben Thakkar, Director of the company	Tripartite Agreement	5 years	Development of first club facility infrastructure	Employees of the Company hold good command with experience in development of projects.	01.04.2016	Not Applicable	29.04.2016
4	Dharmishthaben Thakkar Director of the Company	Reimbursement of Expenses.	1 Year	Reimbursement of Expenses	Expenses related to First Club, spent on behalf of Company, are now reimbursed.	21.02.2017	Not Applicable	16.08.2016

## **Annexure B**

### EXTRACT OF ANNUAL RETURN

As on the financial year ended 31<sup>st</sup> March, 2017

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

#### **1. Registration and other Details:**

1)	Name of Company	Art Nirman Limited
2)	CIN:	U45200GJ2011PLC064107
3)	Date of Incorporation	19.02.2011
4)	Category and Sub Category	Public Limited - Non Government Company having Share Capital.
5)	Address of Registered office	Art Nirman Limited 14, JBR Arcade, 2 <sup>nd</sup> Floor, Nr. R K Royal Hall, Science City Main Road, Sola, Ahmedabad 380060. (O) +91 88664 04499 (E) <a href="mailto:info@artnirman.com">info@artnirman.com</a> (W) <a href="http://www.artnirman.com">www.artnirman.com</a>
6)	Whether listed or not	Yes.
7)	Name, Address and contact details of Registrar to Issue and Share Transfer Agent	Sharex Dynamic India Private Limited Unit-I, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400 072, Maharashtra, India. (O) 022 2851 5606 / 44 (F) 022 2851 2885 (E) <a href="mailto:sharexindia@vsnl.com">sharexindia@vsnl.com</a>

\* Company has made an application for change of CIN after receiving Listing Approval from National Stock Exchange Limited and the same is under process for updating.

#### **2. Principle Business Activities of the Company:**

All the business activities contributing 10% or more of the total turnover of the Company are given below:

Sr. No.	Name and Description of main product or services	NIC Code of the Product / Services as per National Product Classification for Service Sectors 2010.	% of total turnover of the Company
1	Construction of Residential Building as well as Residential cum Commercial Building	99531129	100%

#### **3. Particulars of Holding Subsidiary and Associate Companies:**

Sr. No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Not Applicable						

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### (A) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April -2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	%	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	40,00,000	40,00,000	100	56,00,000	0	56,00,000	73.64	40.00
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
2) Any other	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter (A)</b>	0	40,00,000	40,00,000	100	56,00,000	0	56,00,000	73.64	40.00
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0



h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0	180000	0	180000	2.367	100.00
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	330000	0	330000	4.340	100.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	0	0	0	1494000	0	1494000	19.648	100.00
c) Others (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	0	0	0	0	0	0	0	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	2004000	0	2004000	26.35	100.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	2004000	0	2004000	26.35	100.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	40,00,000	40,00,000	100	76,04,000	0	76,04,000	100.00	90.10

**B) Shareholding of Promoter (including promoter group):**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	Ashokkumar Raghuram Thakker	39,94,977	99.87	0.00	55,94,995	73.58	0.00	40.05
2	Dharmisthaben Ashokkumar Thakkar	5,000	50.00	0.00	5000	0.07	0.00	0.00
3	Thakkar Raghurambhai Vasrambhai	1	0.01	0	1	0.00	0.00	0.00
4	Ashokbhai Raghurambhai Thakkar HUF	1	0.01	0.00	1	0.00	0.00	0.00
5	Raghurambhai Vasrambhai Thakkar	1	0.01	0.00	1	0.00	0.00	0.00
6	Alpeshkumar Chimanbhai Patel	1	0.01	0.00	1	0.00	0.00	0.00
7	Piyushkumar C. Thakkar	1	0.01	0.00	1	0.00	0.00	0.00

\* Ashokkumar Raghuram Thakker was allotted 16,00,000 Equity Shares of INR 10/- each under Initial Public offer on 14.10.2016 and 18 Shares were acquired from existing shareholders prior to Initial Public offer on 03.09.2016.

C) Change in Top 10 Shareholders (other than Promotes and Directors)

Sr. No	Name	No. of Shares at the beginning / end of the year	% of the Shares of the Company	Date	Increasing / Decreasing in Shareholding	Reason	No. of Shares	% of total Shares of the company
1	Desai Amratbhai Shakkarbhai	60,000	0.789	14.10.2016		IPO		
				28.10.2016	192000	Buy	252000	3.31
				18.11.2016	24000	Buy	276000	3.63
				02.12.2016	12000	Buy	288000	3.79
				16.12.2016	42000	Buy	330000	4.34
				13.01.2017	18000	Buy	348000	4.58
				10.02.2017	24000	Buy	372000	4.89
				24.03.2017	6000	Buy	378000	4.97
	Closing Balance			31.03.2017			378000	4.97
2	Vineet Surechandra Arya	360,000	4.73	21.10.2016				
	Closing Balance			31.03.2017			360000	4.73
3	Hem Finlease Private Limited	102000	1.34	14.10.2016		IPO		
				21.10.2016	180000	Buy	282000	3.71
				28.10.2016	-186000	Sale	96000	1.26
				04.11.2016	6000	Buy	102000	1.34
				18.11.2016	-18000	Sale	84000	1.10
				25.11.2016	12000	Buy	96000	1.26
				02.12.2016	-6000	Sale	90000	1.18
				09.12.2016	36000	Buy	126000	1.66
				16.12.2016	-36000	Sale	90000	1.18
				23.12.2016	6000	Buy	96000	1.26

				30.12.2016	36000	Buy	132000	1.74
				13.01.2017	-12000	Sale	120000	1.58
				10.02.2017	-30000	Sale	90000	1.18
				24.02.2017	18000	Buy	108000	1.42
				03.03.2017	-18000	Sale	90000	1.18
				10.03.2017	12000	Buy	102000	1.34
				17.03.2017	6000	Buy	108000	1.42
				24.03.2017	-6000	Sale	102000	1.34
	Closing Balance			31.03.2017			102000	1.34
4	Jaspreetsingh Sabherwal	90,000	1.18	14.10.2016		IPO		
				23.12.2016	6000	Buy	96000	1.26
	Closing Balance			31.03.2017			96000	1.26
5	Rakhee Sabherwal	90000	1.18	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	90,000	1.26
6	Arvindkumar Kantilal Thakkar	72000	0.95	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	72000	0.95
7	Finotex Chemical Limited	54000	0.71	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	54000	0.71
8	Jignesh Rasiklal Shah	54000	0.71	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	54000	0.71
9	Kalpna Kamleshbhai Thakkar	48000	0.63	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	48000	0.63
10	Mistry Nikita Krunalbhai	6000	0.08	14.10.2016		IPO		
	Closing Balance			31.03.2017		No Change	6000	0.08

**Changes in Shareholding of Directors / Key Managerial Personnel**

**i) Ashokkumar Raghuram Thakker:**

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2016		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 on April 01, 2016.	3994977	99.87	3994977	99.87
Date: 03/09/2016: Acquisition of shares by way of transfer Date: 14/10/2016:- Increase in Promoters Shareholding on further issue of shares during the year.	18 1600000	0.00 21.04	3994995 5594995	52.54 73.58
At the end of the year as at March 31, 2017.	5594995	73.58	5594995	73.58

**ii) Dharmishthaeben Ashokkumar Thakker:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2016		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 on April 01, 2016	5000	0.125	5000	0.125
		-	-	-	-
	At the end of the year as at March 31, 2017	5000	0.06	5000	0.06

**iii) Krunal Kiritkumar Mistry:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2016		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 on April 01, 2016	-	-	-	-
	Date: 16/12/2016: Acquisition of shares by way of transfer	12,000	0.16	12,000	0.16
	At the end of the year as at March 31, 2017	12,000	0.16	12,000	0.16

**V. INDEBTEDNESS**

**(INR in Lakhs)**

Particulars	Secured Loan	Unsecured Loan	Deposits	Total
Indebtedness at the beginning of the period	13.95	200.23	-	214.18
Change in indebtedness during the year	1770.97	(200.23)	-	1570.74
Indebtedness at the end of the year.	1784.93	-	-	1784.93

**VI. REMUNERATION**

**a) Managing Director / Whole Time Director and / or Manager / others Director.**

Sr. No	Particulars of Remuneration	Name of Whole Time Director / Managing Director / Director	Total Amount
1	Gross Salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-

**b) Remuneration to other Directors:**

Sr. No	Particulars of Remuneration	Name of other Directors	Total Amount
1	Gross Salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-

**c) Remuneration to KMP other than MD / Manager / WTD:**

Sr. No	Particulars of Remuneration	Name of KMP	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. Kirtar Satubhai Munshi*	500,000
		Ms. Ziral Pankajkumar Soni*	70,000

- Mr. Kirtar Satubhai Munshi and Ms. Ziral Pankajkumar Soni were appointed as CFO and CS respectively on 03<sup>rd</sup> September 2016.

**VI. Penalty / Punishment and Compounding of offences:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made if any (Give details)
-	-	-	-	-	-

**Annexure C**  
Form No. MR – 3  
Secretarial Audit Report  
For the Financial year ended on 31<sup>st</sup> March 2017  
[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 Members of  
Art Nirman Limited  
14, JBR Arcade, 2<sup>nd</sup> Floor,  
Nr. R K Royal Hall, Sola,  
Ahmedabad 380060.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Art Nirman Limited ( hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of Art Nirman Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Art Nirman Limited (CIN: U45200GJ2011PLC064107) having its Registered Office at 14, JBR Arcade, 2<sup>nd</sup> Floor, Nr. R K Royal Hall, Science City Main Road, Sola, Ahmedabad 380060, Gujarat, India for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. (Not Applicable to the Company during the financial year under review.)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;



- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Rules 1999. (Not Applicable to the Company during the financial year under review.)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the financial year under review.)
  - (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 financial year under review.); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. (Not Applicable to the Company during the year under review.)
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure) Requirements) Regulations 2015.
- (vi) The Management has identified and confirmed the following laws are applicable to the Company:
1. The Building and other Construction Workers (Regulation of Employment and Condition of Services) Act 1996
  2. Town & Country Planning Acts and Development Control Regulations & Building Bye Laws as applicable to at various locations.
  3. The Ownership Flats & Apartments Ownership Act as applicable at various locations.
  4. Environment Protection Act 1986.

We have also examined compliance with the Secretarial Standards issued by Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, guidelines, Standards etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 usually sent 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.

There were no dissenting views on any matter by the members in the Board Meetings and Committee Meetings and the minutes of the Board Meeting and Committee Meetings were duly recorded.

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

**We further report that** during the audit period the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. Company has allotted 20,04,000 Equity Shares of INR 10/- each at the price of INR 25/- each including premium of INR 15/- each under Initial Public Offer and has accordingly received listing approval from National Stock Exchange Limited – SME Emerge platform.

*Note: 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: Ahmedabad**

**Date: 30.05.2017**

**Vivek Vakharia**  
**Practicing Company Secretaries**  
**(ACS 48242) (COP 18156)**

### **Annexure A to Secretarial Audit Report**

To  
The Members of  
Art Nirman Limited  
14, JBR Arcade, 2<sup>nd</sup> Floor,  
Nr. R K Royal Hall, Sola,  
Ahmedabad 380060.

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
  
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Place: Ahmedabad**

**Date: 30.05.2017**

**Vivek Vakharia**  
**Practicing Company Secretaries**  
**(ACS 48242) (COP 18156)**

**Annexure D**  
**Management Discussion And Analysis**

**Economy overview:**

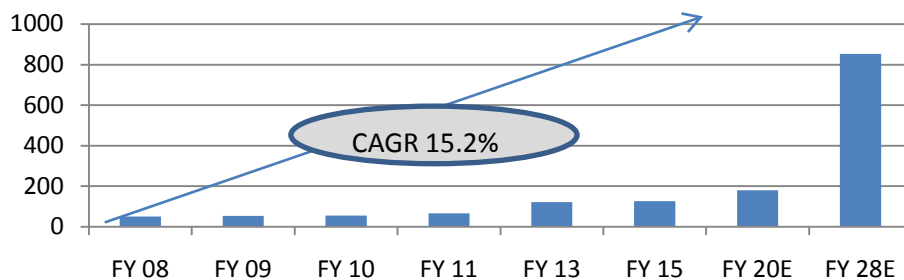
The Financial Year 2016-17 (FY2017) proved to be progressive for overall economy with number of economic reforms. Economic Survey of 2016-17 indicates that India's Trade to GDP ratio has been rising and has now surpassed China. India has been increasing share of private sector. The Standard measures suggest that India is now a "Normal" emerging market. It is open to Foreign Trade and Foreign Capital, Government is not overbearing, either in micro, entrepreneurship or in a micro, fiscal sense.

As per the World Bank Report, India's economic growth is expected to see an uptick at 7.2% in FY 2017-18. It is expected to further accelerate to 7.5% in 2018-19 underpinned by a recovery in private investments, which are expected to be crowded in by the recent increase in public capex and an improvement in the investment climate. The implementation of the GST and RERA could prove to be a game changer decision in FY 2017-18 for industries, Investors and consumers.

**Industry Structure:**

As per survey report, Real Estate Sector in India holds following records:

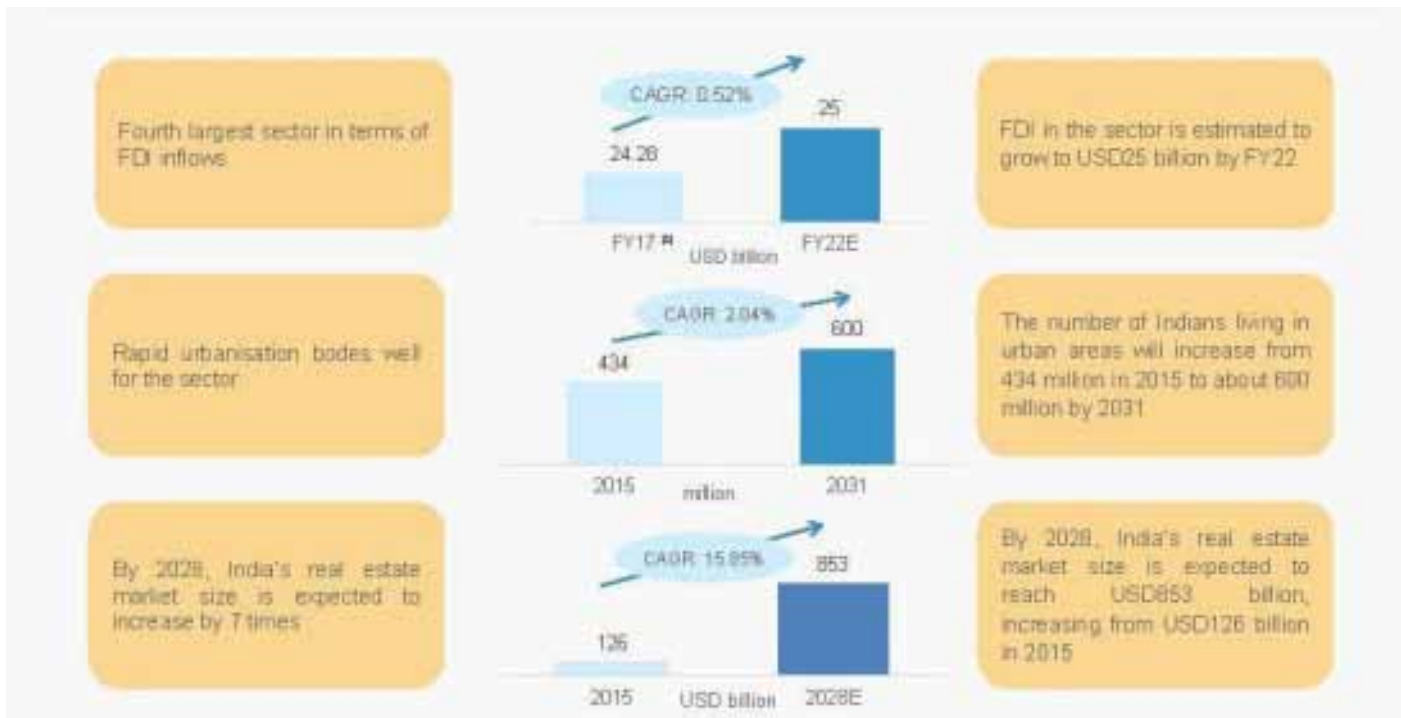
- Residential segment contribute around 80% of the real estate sector.
- Over 40.2 million sq. feet of Corporate real estate space was absorbed by top seven cities of the Country during 2015.
- Real Estate contribution to India's GDP is estimated to increase about 13% by 2028.
- The Market Size of Real Estate in India is expected to increase at CAGR of 15.2% during FY 2008 to FY 2028 and is estimated to be worth USD 853 million by 2028.



- The government also launched 10 key policies for real estate sector during 2016 which would further boost real estate sector in India, namely:
  - a) Real Estate Regulatory Act.
  - b) Benami Transactions Act.
  - c) Boost to affordable housing construction.
  - d) Interest subsidy to Home Buyers.
  - e) Change in Arbitration Norms.
  - f) Service Tax Exemption.
  - g) Dividend Distribution Tax Exemption.
  - h) Goods and Service Tax.
  - i) Demonetization.
  - j) PR for foreign investors.

- The urban housing shortage is estimated at 18.78 million in 2015. Total rural housing shortage in India stood at 14.8 million as of 2015 and is expected to grow at 48.8 million during XII plan period (2012-2017).

KPMG Report on Real Estate Sector in India highlights following Key points:



### **Opportunity and Threats:**

#### **Opportunity:**

- During 2016, India secured 3<sup>rd</sup> rank in the US Green Building Council annual ranking of Top 10 countries for "Leadership in Energy and Environmental Design." This will generate attractive opportunities for Companies to expand their portfolios.
- During April 2000 and December 2016, FDI inflows in construction development in India stood at USD 24.28 billion and accounted for 8.4 per cent of total FDI inflows into the Country.
- The Government of India has allowed 100% FDI for township and settlement development projects. Under the housing for all schemes, 6 Crore houses are to be built in which 4 Crore in rural areas and 2 Crore in urban area by 2022.
- As per Union Budget 2017-18, Government allocated USD 58.92 billion for infrastructure sector. USD 3.42 billion were allocated for Pradhan Mantri Awas Yojana.
- Metro Cities have driving demand for Commercial Space.
- Growth in Tourism, Urbanization, Hospitality, Education, easy financing etc provides and is likely to provide tremendous opportunities in the years to come.

#### **Threats and Challenges:**

Threats to Real Estate Sector are demonstrated with following factor Analysis;

- **Competitive Rivalry:**  
Uncertain investment timeline due to long gestation period. High Cost of Land and restrictions on usage of land also puts a major threat. It becomes highly tough to survive for incumbent players.
- **Threat of New Entrants:**  
Strong rivalry persists due to large number of players operating in India.
- **Bargaining powers of suppliers:**  
Large Real Estate Firms have better bargaining power against customers compared to small players in the industry.
- **Bargaining power of Customers:**  
Customer base for Housing flats and Commercial Shops is very strong with number of options left to them. They are also becoming more discerning and demand better quality.
- **Shortage of Manpower and Technology**  
The Construction sector, despite being the second largest employer in the Country, faces manpower shortage. The sector is heavily dependent upon the manpower labour which increases the timeliness of Construction Companies and results in supply getting deferred. Technologically less labour intensive alternative method of construction needs to be adopted.

#### **Segment / Product wise Performance:**

Company operates into single segment of construction of various Residential and Commercial schemes.

- Company has completed construction of its own Scheme “Shree Vishnudhara Cross Roads” a 2 & 3 BHK Luxurious Apartments and shops, at Gota, S G Highway, Ahmedabad during the year which consist of 154 Residential Flats and 25 Commercial Shops. Almost all the flats and shops have been sold out. Company takes pride for its tremendous response during short term even during competitive real estate market.
- Company has launched another Residential and Commercial Scheme on the name of “Shree Vishnudhara Gardens” near Gota at Ahmedabad. 45% of the construction work is already completed and the rests is under construction. The plan of the scheme consists of 350 Residential Flats and 117 Commercial Shops. Estimated project Cost of the Scheme is INR 150 Crores. Company expects to complete the construction of the Scheme by the end of FY 2017-18.

#### **Outlook**

A Cyclical downturn combined with demonetization and the implementation of RERA Act 2016 has created short term uncertainty in the sector. However these same factors will lead to consolidation and improved governance in the sector which in turn will drive improved consumer confidence. Combination of such several factors will lead the sector in very strong direction. New Government policy introduced during 2016 and 2017 have proved to transition year and will prove to be Game Changing years in the years to come.

## **Risks and Concerns**

The Real estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in applicable government schemes, project cost, consumer financing and liquidity etc. Your Company has taken sufficient care to maintain quality of the construction which differentiates company products from market. However any economic downturn in the years to come, may adversely impact the business.

## **Internal Control System and adequacy**

The Company has in place adequate internal financial controls with reference to financial statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

## **Discussion on Financial Performance with reference to Operational Performance:**

Your Company has achieved total net sales of INR 2571.06 lakhs and achieved Net Profit After Tax (NP) of INR 36.50 Lakhs. The aggregate revenue of the Company increased marginally by 1.28% compared to PY 2015 16. However the Profit Before Tax of the Company decreased by 4.74% due to increased cost of construction.

The Directors of the Company are hopeful to gain good returns in the years to come from its under construction scheme "Shree Vishnudhara Gardens" 2 & 3 BHK Apartments, showrooms, Shops and offices, Residential and Commercial scheme at Gota, Ahmedabad.

## **Material Developments in Human Resources / Industrial Relations Front etc**

There is no major development in the Human Resources Employed by the Company.

## **Disclosure of Accounting Treatment**

During the year, the Company has not adopted any accounting treatment which different from that prescribed in an Accounting Standards.

## **Independent Auditor's Report**

To,

The Members of  
**ART NIRMAN LIMITED**

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

We have audited the accompanying Financial Statements of **ART NIRMAN LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2017, and a summary of significant accounting policies and other explanatory information for the year ended as on 31<sup>st</sup> March, 2017.

### **Management's Responsibility for the 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 and presentation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 responsible 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility:**

Our responsibility is to express an opinion on these Financial statements based on our audit.

We 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.



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

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

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs of the company as at 31<sup>st</sup> March 2017 and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 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 the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 Financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**” and
- 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, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contract including derivative contracts for which there were any material foreseeable losses; hence the company need not make any provision.
  - iii. There were no amounts which were required to be transferred by the Company to the investor’s education and protection fund maintained by central government u/s 125(1) of the act.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of accounts maintained by the company and as produced to us by the Management – Refer Note [Note- “III” of Notes to Accounts]

**For, Dhiren Shah & Co.**  
**Chartered Accountants**  
FRN: 114633W

Place: Ahmedabad  
Date: 30.05.2017

Karan Shah  
(Partner)  
Membership No. : 138211

## **Annexure-A to the Auditor's Report**

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2017, we report that:

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
  
(c) Based on our audit procedures and according to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and no material discrepancies were noted in the same.
- iii) The company has not granted any loans, secured and unsecured to companies, firm and other parties covered in the maintained u/s. 189 of the Act.
- iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 with respect to the loans and investments made.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales-tax, value added tax, duty of customs, service tax, cess and

other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material dues were in arrears as at 31<sup>st</sup> March, 2017 for a period of more than six months from the date they become payable except service tax on reverse charge amounting to Rs.73,848/- which is outstanding for a period of more than six months from the dates it became payable as at 31<sup>st</sup> March, 2017.

(b) According to the information and explanations given to us, there are no dues of Income tax, sales-tax, duty of excise, duty of customs, service tax and value added tax which have not been disputed with the appropriate on account of any dispute.

- viii) The company does not have any default in repayment of dues of loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix) According to the information and explanation received by us, moneys raised by way of Initial Public Offer and Term Loan have been applied for the purpose for which they were raised.
- x) According to the information and explanation given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) Based upon the audit procedures performed and the information and explanations given to us by the management, company has not paid or provided any managerial remuneration during the year under review. Hence paragraph 3(xi) of the order is not applicable to the company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has made allotment of 16,00,000 equity shares of face value of Rs. 10 each with premium of Rs. 15/- amounting to Rs. 4,00,00,000/- to Mr. Ashok Kumar Thakkar, Director of the company by converting loans into Equity shares of the company during the year pursuant to provisions of section 62(3) of the Companies Act, 2013 and the amount has been utilized for the purpose for which funds were raised.
- xv) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transaction with directors or persons connected with him. Hence paragraph 3(xv) of the order is not applicable to the company.
- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For, Dhiren Shah & Co.  
Chartered Accountants  
FRN: 114633W

Place: Ahmedabad  
Date: 30.05.2017

Karan Shah  
(Partner)  
Membership No. : 138211

## **Annexure B to the independent Auditor's Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **Art Nirman Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone 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 controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under The Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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, Dhiren Shah & Co.  
Chartered Accountants  
FRN: 114633W

Place: Ahmedabad  
Date: 30.05.2017

Karan Shah  
(Partner)  
Membership No. : 138211

**ART NIRMAN LIMITED**  
Balance Sheet as at 31st March, 2017

Particulars	Note No	31/03/2017 AMOUNT (RS.)	31/03/2016 AMOUNT (RS.)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	76,040,000	40,000,000
(b) Reserves and Surplus	2	62,767,351	5,057,118
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	175,164,871	20,521,020
(b) Deferred tax liabilities (Net)	4	1,175,502	253,831
(c) Other Long term liabilities	5	318,861,500	32,735,252
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	6	77,066,204	9,589,906
(c) Other current liabilities	7	34,267,324	72,864,693
(d) Short-term provisions	8	2,530,000	686,535
<b>TOTAL</b>		<b>747,872,751</b>	<b>181,708,355</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	96,408,536	6,249,032
(ii) Intangible assets		755,210	805,105
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances	10	42,966,990	2,510,000
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments		-	-
(b) Inventories	11	449,563,695	156,319,767
(c) Trade receivables	12	76,081,375	-
(d) Cash and cash equivalents	13	24,641,820	2,878,621
(e) Short-term loans and advances	14	48,492,111	12,532,960
(f) Other current assets	15	8,963,014	412,870
<b>TOTAL</b>		<b>747,872,751</b>	<b>181,708,355</b>
REFER SIGNIFICANT ACCOUNTING POLICIES	23		

AS PER OUR REPORT OF EVEN DATE ATTACHED HEREWITH

FOR DHIREN SHAH & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG.NO. 114633W

FOR, ART NIRMAN LIMITED

(KARAN SHAH)  
PARTNER  
MEMB. NO. 138211

ASHOK THAKKAR  
[DIRECTOR]  
DIN: 02842849

DHARMISHTA THAKKAR  
[DIRECTOR]  
DIN: 03423373

PLACE: AHMEDABAD  
DATE: 30/05/2017

PLACE: AHMEDABAD.  
DATE: 30/05/2017



**ART NIRMAN LIMITED**  
Statement of Profit and Loss for the year ended on 31st March, 2017

Particulars	Note No	31/03/2017 AMOUNT (RS.)	31/03/2016 AMOUNT (RS.)
<b>I. Revenue</b>			
Revenue from Operations	16	257,106,530	256,207,488
Other Income	17	2,556,046	168,639
<b>Total Revenue</b>		<b>259,662,576</b>	<b>256,376,127</b>
<b>II. Expenses:</b>			
Cost of Material Consumed	18	429,989,647	120,867,586
Decrease / (Increase) in Construction work In Progress	19	(299,260,242)	45,607,346
Depreciation and amortization expense	9	3,418,201	939,472
Employee benefit expense	20	5,459,939	5,031,667
Financial costs	21	4,064,844	4,589,506
Other Expenses	22	109,068,284	72,074,153
<b>Total Expenses</b>		<b>252,740,673</b>	<b>249,109,730</b>
<b>III. Profit before exceptional and extraordinary items and tax</b>	<b>(I-II)</b>	<b>6,921,903</b>	<b>7,266,397</b>
IV. Exceptional Items		-	-
<b>V. Profit before extraordinary items and tax (III - IV)</b>		<b>6,921,903</b>	<b>7,266,397</b>
<b>VI. Extraordinary Items</b>			
<b>VII. Profit before tax (V - VI)</b>		<b>6,921,903</b>	<b>7,266,397</b>
<b>VIII. Tax expense:</b>			
(1) Current tax			
- For the Current Year		2,350,000	2,066,950
- For earlier years - Short / (Excess)			
(2) Deferred tax asset / (liabilities)		(921,671)	(80,230)
<b>IX. Profit(Loss) from the period from continuing operations</b>	<b>(VII-VIII)</b>	<b>3,650,232</b>	<b>5,119,217</b>
<b>X. Profit/(Loss) from discontinuing operations</b>		-	-
<b>XI. Tax expense of discounting operations</b>		-	-
<b>XII. Profit/(Loss) from Discontinuing operations (X - XI)</b>		-	-
<b>XIII. Profit/(Loss) for the period (IX + XII)</b>		<b>3,650,232</b>	<b>5,119,217</b>
<b>XVI. Earning per equity share:</b>			
(1) Basic		0.48	14.71
(2) Diluted		0.48	14.71
REFER SIGNIFICANT ACCOUNTING POLICIES	23		

AS PER OUR REPORT OF EVEN DATE ATTACHED HERewith

FOR DHIREN SHAH & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG.NO. 114633W

FOR, ART NIRMAN LIMITED

(KARAN SHAH)  
PARTNER  
MEMB. NO. 138211

ASHOK THAKKAR  
[DIRECTOR]  
DIN: 02842849

DHARMISHTA THAKKAR  
[DIRECTOR]  
DIN: 03423373

PLACE: AHMEDABAD  
DATE: 30/05/2017

PLACE: AHMEDABAD.  
DATE: 30/05/2017

## ART NIRMAN LIMITED

## Cash Flow Statement

Particulars	31/03/2017 AMOUNT (RS.)	31/03/2016 AMOUNT (RS.)
<b>Cash Flow from Operating Activities</b>		
<b>Profit / (Loss) after Tax</b>	<b>3,650,232</b>	<b>5,119,217</b>
<b>Adjustments for:</b>		
Depreciation	3,418,201	939,472
Deferred tax assets / (liabilities)	921,671	80,230
Finance Costs	4,064,844	4,589,506
Interest Income	(2,529,269)	(54,145)
Provision for Income Tax	2,350,000	2,066,950
Fixed Assets Written off	-	-
<b>Operating Profit before Working Capital changes</b>	<b>11,875,679</b>	<b>12,741,230</b>
<b>Changes in Working Capital:</b>		
Increase / (Decrease) in trade payables	67,476,298	21,430,353
Increase / (Decrease) in provisions	1,843,465	462,535
Increase / (Decrease) in other current liabilities	(38,597,369)	(77,324,646)
(Increase) / Decrease in inventories	(293,243,928)	39,591,032
(Increase) / Decrease in other current assets	(8,550,144)	3,439,698
(Increase) / Decrease in long-term loans and advances	(40,456,990)	24,513,833
(Increase) / Decrease in short-term loans and advances	(35,959,151)	(5,139,323)
(Increase) / Decrease in Trade Receivables	(76,081,375)	-
<b>Cash Generated from Operations</b>	<b>(411,693,515)</b>	<b>19,714,711</b>
Less: Taxes paid / (unpaid)	2,350,000	2,066,950
<b>Net cash generated from Operating Activities</b>	<b>(414,043,515)</b>	<b>17,647,761</b>
<b>Cash flow from Investing Activities</b>		
Interest Income	2,529,269	54,145
Proceeds on sale of fixed assets	-	-
Purchase of tangible/intangible assets	(93,527,810)	(2,120,664)
<b>Net cash generated from/(used in) Investing Activities</b>	<b>(90,998,541)</b>	<b>(2,066,519)</b>
<b>Cash flow from Financing Activities</b>		
Proceeds/(repayment) of long-term borrowings	440,770,099	(8,985,041)
Increase in Share Premium	54,060,000	-
Issue of Shares	36,040,000	-
Finance Costs	(4,064,844)	(4,589,506)
<b>Net cash (used in) Financing Activities</b>	<b>526,805,255</b>	<b>(13,574,547)</b>
Net increase in Cash and Cash Equivalents	21,763,199	2,006,695
Cash and Cash Equivalents at the beginning of the year	2,878,621	871,926
<b>Cash and Cash Equivalents at the end of the year</b>	<b>24,641,820</b>	<b>2,878,621</b>
<b>Cash and Cash Equivalents comprise of:</b>		
Cash on hand	56,298	129,176
Cheque on Hand	-	2,335,000
Bank balances (in Current Accounts)	24,585,522	414,445
<b>TOTAL</b>	<b>24,641,820</b>	<b>2,878,621</b>

**Notes:**

The above Cash Flow Statement has been prepared under the 'Indirect Method' set out in Accounting Standard 3- Cash Flow Statement referred to in The Companies Accounting Standard Rules, 2006. Cash and cash Equivalents represent cash and bank balances only.

FOR DHIREN SHAH & CO.  
CHARTERED ACCOUNTANTS  
FIRM REG.NO. 114633W

FOR, ART NIRMAN LIMITED

(KARAN SHAH)  
PARTNER  
MEMB. NO. 138211

ASHOK THAKKAR  
[DIRECTOR]  
DIN: 02842849

PLACE: AHMEDABAD  
DATE : 30/05/2017

PLACE: AHMEDABAD.  
DATE : 30/05/2017

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO.- 1**  
**SHARE CAPITAL**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>Authorised Share Capital</b>		
( 80,00,000 Equity Shares of Rs. 10/- Each fully paid )	80,000,000	80,000,000
<b>TOTAL AUTHORISED CAPITAL</b>	<b>80,000,000</b>	<b>80,000,000</b>
<b>Issued &amp; Subscribed Paid Up Capital</b>		
( 76,04,000 Equity Shares of Rs. 10/- Each fully paid )	76,040,000	40,000,000
<b>TOTAL ISSUED AND PAID UP CAPITAL</b>	<b>76,040,000</b>	<b>40,000,000</b>

**(a) DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% IN THE COMPANY**

Particulars	AS AT 31/03/2017	
	NO. OF SHARES	% HOLDING
Ashokkumar R Thakkar	55,949,950	73.58%

**(b) RECONCILIATION OF NO OF SHARES OUT STANDING AT THE BEGINNING OF THE YEAR AI**

Particulars	AS AT 31/03/2017	
	NO OF SHARES	AMOUNT (RS.)
AT THE BEGINNING OF THE YEAR	4,000,000	40,000,000
<b>ADD:</b>		
ISSURED DURING THE YEAR	3,604,000	36,040,000
<b>OUTSTANDING AT THE END OF THE YEAR</b>	<b>7,604,000</b>	<b>76,040,000</b>

**Issue of share other than cash**

The Company allotted 16,00,000 Shares of Face Value of Rs. 10 each with a premium of Rs. 15 each to Mr. against Unsecured Loan Outstanding from the director.

**NOTE NO.- 2**  
**RESERVES & SURPLUS**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>SHARE PREMIUM</b>		
OPENING BALANCE	-	-
<b>ADD: ADDITION DURING THE YEAR</b>	<b>54,060,000</b>	-
<b>TOTAL (A)</b>	<b>54,060,000</b>	-
<b>PROFIT &amp; LOSS ACCOUNT</b>		
OPENING BALANCE	5,057,118	(62,099)
<b>ADD: PROFIT/ LOSS DURING THE YEAR</b>	<b>3,650,232</b>	<b>5,119,217</b>
<b>TOTAL (B)</b>	<b>8,707,351</b>	<b>5,057,118</b>
<b>TOTAL (A+B)</b>	<b>62,767,351</b>	<b>5,057,118</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO. - 3**  
**LONG TERM BORROWINGS**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>SECURED LOANS</b>		
<b>TERM LOAN FROM BANK</b>		
ICICI Bank Machinery Loan A/c NO.LOABD00035148023	2,369,090	-
ICICI Bank Machinery Loan A/c NO.LOABD00035148050	747,286	-
ICICI Bank Machinery Loan A/c NO.LOABD00035148061	1,629,083	-
ICICI Bank Machinery Loan A/c NO.LOABD00035148070	669,639	-
ICICI Bank Machinery Loan A/c NO.LOABD00035148073	405,120	-
(The above loans are secured by way of Hypothecation against Machinery , the above loan are repayable in equitable monthly installment over the period of Loan. Loan amount payable exceeding 12 months is classified as Long Term Borrowings and amount payable within 12 months is classified as short term borrowings as Current Maturity. )		
ICICI Bank Car Loan A/c NO.LAABD00034308244	295,568	498,020
(The above loan is secured by way of Hypothecation against Vehicle,the above loan is repayable in equitable monthly installment over the period of Loan. Loan amount payable exceeding 12 months is classified as Long Term Borrowings and amount payable within 12 months is classified as short term borrowings as Current Maturity. )		
<b>TERM LOAN FROM NBFC</b>		
Tata Capital Housing Finance Ltd.	169,049,085	-
(The above loan is secured against mortgage of Project Land situated at Survey no. 151 , 152 Ahmedabad together with receivables arising out of land and project "Shree Vishnudhara Homes". Extension of charge on the existing charge on the receivables and projects "Shree Vishndhara Homes". Lien on unsold all units in the project. The repayment shall commence from 18 months after the final disbursement availed and hence no current maturity arise for the same. )		
<b>UNSECURED LOANS</b>		
<b>From Shareholders</b>		
Javantiji Malaji	-	5,000,000
Shirishbhai Gopalbhai Patel	-	8,260,000
<b>From Directors</b>		
Ashokbhai R. Thakkar	-	6,763,000
<b>TOTAL</b>	<b>175,164,871</b>	<b>20,521,020</b>

**NOTE NO. - 4**  
**DEFERRED TAX LIABILITIES**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
Opening Balance Of Deferred Tax Liability	253,831	173,601
<b>Add :</b>		
Deferred Tax Exp For The Year	921,671	80,230
<b>Less:</b>		
Adjusted Against Deferred Tax Asset	-	-
<b>TOTAL</b>	<b>1,175,502</b>	<b>253,831</b>

**NOTE NO. - 5**  
**OTHER NON CURRENT LIABILITY**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>MAINTAINENCE DEPOSITS</b>		
Maintainence Deposits from Customers	6,945,000	3,995,000
<b>SECURITY DEPOSIT</b>		
Art Club Pvt Ltd	64,616,500	-
<b>CREDITORS FOR LAND</b>		
Dharmishthaben A. Thakkar	-	28,740,252
Bharatbhai Mansukbhai Thakkar	177,210	-
Shaligram Buildcon Pvt. Ltd.	247,122,790	-
<b>TOTAL</b>	<b>318,861,500</b>	<b>32,735,252</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO.- 6**  
**TRADE PAYABLES**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
Micro Small and Medium Enterprise*	-	-
Others	77066204	9589906
<b>TOTAL</b>	<b>77,066,204</b>	<b>9,589,906</b>

\* As on March 31, 2017, there are no outstanding dues to Micro, Small and Medium Enterprises. There are no interests due or outstanding on the same.

**NOTE NO.- 7**  
**OTHER CURRENT LIABILITIES**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>Booking Advances from Members</b>		
<b>For Vishnudhara Cross Road</b>		
Block - A	5,101,000	15,076,000
Block - B	1,301,000	7,641,542
Block - C	2,406,987	7,486,487
Block - D	1,500,000	2,494,111
Block - E	4,677,900	23,116,701
Shops	1,650,035	14,198,036
Booking cancelled - due to Members	-	1,110,000
<b>For Vishnudhara Garden</b>		
Block - A	756,004	-
Block - B	519,203	-
Block - E	1,948,508	-
Block - G	191,106	-
Block - H	-	-
Shops	7,088,909	-
<b>Total (A)</b>	<b>27,140,652</b>	<b>71,122,877</b>
<b>Duties and Taxes</b>		
TDS Payable	784,166	98,485
PF Payable	11,976	-
ESIC Payable	18,328	-
Service tax payable	2,115,634	120,913
Krishi Kalyan Cess Payable	75,844	-
Swachh Bharat Cess Payable	203,549	-
Professional Tax - employee	3,510	26,350
VAT payable	-	53,809
<b>Total (B)</b>	<b>3,213,007</b>	<b>299,557</b>
<b>Trade Deposits / Advances</b>		
Deposit (Contractor - Retention Money)	554,876	544,876
<b>Total (C)</b>	<b>554,876</b>	<b>544,876</b>
<b>Accrued Interest</b>		
Accrued Interest on Loan from banks	30,689	-
<b>Total (D)</b>	<b>30,689</b>	<b>-</b>
<b>Current maturities of Long-term Debt</b>		
ICICI Bank Machinery Loan A/c NO.LQABD00035148023	1,243,223	-
ICICI Bank Machinery Loan A/c NO.LQABD00035148050	391,394	-
ICICI Bank Machinery Loan A/c NO.LQABD00035148061	856,896	-
ICICI Bank Machinery Loan A/c NO.LQABD00035148070	352,270	-
ICICI Bank Machinery Loan A/c NO.LQABD00035148073	213,115	-
ICICI Bank Machinery Loan A/c NO.LQABD00027113351	-	317,611
ICICI Bank Machinery Loan A/c NO.LQABD00027113353	-	268,792
ICICI Bank Car Loan A/c NO.LAABD00034308244	271,202	310,980
<b>Total (E)</b>	<b>3,328,099</b>	<b>897,383</b>
<b>TOTAL(A+B+C+D+E)</b>	<b>34,267,324</b>	<b>72,864,693</b>

**ART NIRMAN LIMITED**

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017

**NOTE NO.-8  
SHORT TERM PROVISION**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
Provision For Taxation	2,350,000	561,535
Provision for Audit Fees and Professional Services	180,000	125,000
<b>TOTAL</b>	<b>2,530,000</b>	<b>686,535</b>

**NOTE NO.-10  
LONG TERM LOANS AND ADVANCE**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>DEPOSITS</b>		
NSE - IPO Deposit	501,000	-
NSE - Security Deposit	11,558	-
UGVCL - Deposit	168,091	-
VAT Deposit	10,000	10,000
<b>TOTAL (A)</b>	<b>690,649</b>	<b>10,000</b>
<b>Others</b>		
Bhagwanbhai Sartanbhai Desai	-	2,500,000
Confisec Printers Pvt. Ltd.	32,175,739	-
Shaliqram Infra Projects LLP	10,100,602	-
<b>TOTAL (B)</b>	<b>42,276,341</b>	<b>2,500,000</b>
<b>TOTAL (A)+(B)</b>	<b>42,966,990</b>	<b>2,510,000</b>

**NOTE NO.-11  
INVENTORIES**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For the Scheme Shree Vishnu Dhara Cross Road</b>		
Closing Construction Work in Process	21,144,134	150,303,453
<b>Construction Work in Process (a)</b>	<b>21,144,134</b>	<b>150,303,453</b>
<b>For the Scheme Shree Vishnu Dhara Garden</b>		
Closing Construction Work in Process	349,256,909	-
<b>Construction Work in Process (b)</b>	<b>349,256,909</b>	<b>-</b>
<b>For the Works Contract of Club Babylon</b>		
Closing Construction Work in Process	79,162,652	-
<b>Construction Work in Process (c)</b>	<b>79,162,652</b>	<b>-</b>
<b>Cummulative</b>		
Closing Construction Work in Process (a)+(b)+(c)	449,563,695	150,303,453
Raw Material Stock	-	6,016,314
<b>Total Consturction Work in Process</b>	<b>449,563,695</b>	<b>156,319,767</b>

Break up of Inventories	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>Details of Raw Materials :</b>		
Cement	-	2,143,110
Tiles	-	1,458,239
Hardware	-	507,375
Plumbing Material	-	923,953
Electric Material	-	983,637
<b>Total</b>	<b>-</b>	<b>6,016,314</b>

**ART NIRMAN LIMITED**

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017

**NOTE NO.-12****Trade Receivables**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
Dhara Developers	76,081,375	-
<b>TOTAL</b>	<b>76,081,375</b>	<b>-</b>

**NOTE NO.- 13****CASH & CASH EQUIVALENTS**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>Cash in Hand</b>		
Cash Balance	18,627	129,176
Petty Cash - SVDG	15,671	-
Petty Cash - SVDH	22,000	-
<b>TOTAL (1)</b>	<b>56,298</b>	<b>129,176</b>
<b>Cheque on hand</b>		
Cheque on hand	-	2,335,000
<b>TOTAL (2)</b>	<b>-</b>	<b>2,335,000</b>
<b>Bank Balance</b>		
ICICI Bank (045705001384)	127,400	292,179
ICICI Bank (182605000489)	22,807,800	-
HDFC Bank A/c. No. 50200005194002	1,650,322	122,266
<b>TOTAL (3)</b>	<b>24,585,522</b>	<b>414,445</b>
<b>TOTAL CASH AND CASH EQUIVALENTS (1+2+3)</b>	<b>24,641,820</b>	<b>2,878,621</b>

**NOTE NO.- 14****Short Term Loans & Advances**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
<b>Advances to Vendors</b>		
Unsecured , Considered Good	25,492,111	12,532,960
<b>Advances for Land</b>		
Jignesh Shah	23,000,000	-
<b>TOTAL</b>	<b>48,492,111</b>	<b>12,532,960</b>

**NOTE NO.- 15****OTHER CURRENT ASSETS**

Particulars	AS AT 31/03/2017 (Rs.)	AS AT 31/03/2016 (Rs.)
Prepaid Insurance	453,188	46,406
Prepaid Expenses	-	100,500
Service Tax Receivable	2,930,948	265,964
Krishi Kalyan Cess Recievable	88,611	-
Input VAT Receivable	636,625	-
TDS Recievable (Ay 2017-18)	2,906,339	-
Advance Tax Paid AY 2017-18	1,500,000	-
Tata Capital Housing Project -TDS A/c	447,303	-
<b>TOTAL</b>	<b>8,963,014</b>	<b>412,870</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO. :- 9**

**FIXED ASSETS**

NAME OF ASSET	ASSET				DEPRECIATION FUND				NET BLOCK OF ASSET AS ON 31/03/2017	NET BLOCK OF ASSET AS ON
	OPENING BLOCK	ADDITION	SALES	CLOSING BLOCK	OPENING BALANCE	ADDITION	SALES/ADJUSTMENT	CLOSING BALANCE		
<b>TANGIBLE ASSETS</b>										
<b>Company (Head Office)</b>										
Furniture	1,745,069	-	-	1,745,069	747,707	180,359	-	928,066	817,003	997,362
Plant & Machinery	4,427,791	11,848,593	-	16,276,384	702,875	554,831	-	1,257,706	15,018,678	3,724,916
Vehicle	918,724	1,024,150	-	1,942,874	7,551	44,897	-	52,448	1,890,426	911,173
Electric Equipment	-	3,208,082	-	3,208,082	-	135,281	-	135,281	3,072,801	-
Office Equipment	-	579,600	-	579,600	-	66,561	-	66,561	513,039	-
Air Conditioner	601,740	-	-	601,740	377,214	137,943	-	515,157	86,583	224,526
Computer	879,621	545,055	-	1,424,676	488,566	340,793	-	829,359	595,317	391,055
<b>TOTAL (A)</b>	<b>8,572,945</b>	<b>17,205,480</b>	<b>-</b>	<b>25,778,425</b>	<b>2,323,913</b>	<b>1,460,665</b>	<b>-</b>	<b>3,784,578</b>	<b>21,993,847</b>	<b>6,249,032</b>
<b>First Club</b>										
Building	-	45,704,201	-	45,704,201	-	759,650	-	759,650	44,944,551	-
Furniture	-	15,271,837	-	15,271,837	-	675,771	-	675,771	14,596,066	-
Plant & Machinery	-	4,371,043	-	4,371,043	-	90,609	-	90,609	4,280,434	-
Electric Equipment	-	10,975,249	-	10,975,249	-	381,611	-	381,611	10,593,638	-
<b>TOTAL (B)</b>	<b>-</b>	<b>76,322,330</b>	<b>-</b>	<b>76,322,330</b>	<b>-</b>	<b>1,907,641</b>	<b>-</b>	<b>1,907,641</b>	<b>74,414,689</b>	<b>-</b>
<b>INTANGIBLE ASSETS</b>										
Software purchase	855,000	-	-	855,000	49,895	49,895	-	99,790	755,210	805,105
<b>TOTAL (C)</b>	<b>855,000</b>	<b>-</b>	<b>-</b>	<b>855,000</b>	<b>49,895</b>	<b>49,895</b>	<b>-</b>	<b>99,790</b>	<b>755,210</b>	<b>805,105</b>
<b>TOTAL (A+B+C)</b>	<b>9,427,945</b>	<b>93,527,810</b>	<b>-</b>	<b>102,955,755</b>	<b>2,373,808</b>	<b>3,418,201</b>	<b>-</b>	<b>5,792,009</b>	<b>97,163,746</b>	<b>5,872,945</b>
<b>PREVIOUS YEAR</b>	<b>7,307,281</b>	<b>2,120,664</b>	<b>-</b>	<b>9,427,945</b>	<b>1,434,336</b>	<b>939,472</b>	<b>-</b>	<b>2,373,808</b>	<b>7,054,137</b>	<b>5,872,945</b>



**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO.16**  
**REVENUE FROM OPERATIONS**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>Project Receipts</b>		
Shree Vishnudhara Cross Road	124,400,001	254,425,611
<b>Works Contract Receipts (Net of Service Tax)</b>		
Shitalbhai Rameshbhai Gopalbhai	-	1,409,774
Dhara Developers	132,670,574	-
<b>Other Operating Income</b>		
Cancellation charges Income	15,000	372,103
Scrap Sale Income	20,955	-
<b>Total</b>	<b>257,106,530</b>	<b>256,207,488</b>

**Note - 17**  
**Other Income**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>i) Interest Income from Loans and Advances Given</b>		
Shaligram Infra Projects LLP	111,781	-
Confisec Printers	2,417,488	-
<b>ii) Other Non-Operating Income</b>		
Interest Income from bank	-	54,145
Kasar Vatav	23,838	103,419
Misc. Income	2,939	11,075
<b>TOTAL</b>	<b>2,556,046</b>	<b>168,639</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO.18**

**COST OF MATERIAL CONSUMED**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For Shree Vishnudhara Cross Road</b>		
Opening Stock of Raw Material	-	-
Add : Purchases of various materials	177,475	48,059,042
Add : URD Purchase	-	820,358
Less : Closing Stock of Raw Material	-	6,016,314
Raw Material Consumed	177,475	42,863,086
Cost of Acquisition of Development Rights of Land	-	78,004,500
<b>Total (a)</b>	<b>177,475</b>	<b>42,863,086</b>
<b>For Shree Vishnudhara Homes</b>		
Opening Stock of Raw Material	6,016,314	-
Add : Purchases of various materials	47,070,329	-
Add : URD Purchase	2,212,430	-
Less : Closing Stock of Raw Material	-	-
Raw Material Consumed	55,299,073	-
<b>Total (b)</b>	<b>55,299,073</b>	<b>-</b>
<b>For Shree Vishnudhara Garden</b>		
Opening Stock of Raw Material	-	-
Add : Purchases of various materials	36,253,395	-
Add : URD Purchase	321,254	-
Less : Closing Stock of Raw Material	-	-
Raw Material Consumed	36,574,649	-
Cost of Purchase of Land	285,931,000	-
<b>Total (c)</b>	<b>36,574,649</b>	<b>-</b>
<b>For Shree Vishnudhara Bungalow</b>		
Opening Stock of Raw Material	-	-
Add : Purchases of various materials	547,980	-
Add : URD Purchase	-	-
Less : Closing Stock of Raw Material	-	-
Raw Material Consumed	547,980	-
<b>Total (d)</b>	<b>547,980</b>	<b>-</b>
<b>For Club Babylon</b>		
Opening Stock of Raw Material	-	-
Add : Purchases of various materials	51,411,826	-
Add : URD Purchase	47,644	-
Less : Closing Stock of Raw Material	-	-
Raw Material Consumed	51,459,470	-
<b>Total (e)</b>	<b>51,459,470</b>	<b>-</b>
<b>Cummulative</b>		
Opening Stock of Raw Material	6,016,314	-
Add : Purchases of various materials	135,461,005	48,059,042
Add : URD Purchase	2,581,328	820,358
Less : Closing Stock of Raw Material	-	6,016,314
Raw Material Consumed	<b>144,058,647</b>	<b>42,863,086</b>
<b>Cost of Purchase of Land</b>	<b>285,931,000</b>	
<b>Cost of Acquisition of Development Rights of Land</b>	<b>-</b>	<b>78,004,500</b>
<b>Grand Total (a+b+c+d+e)</b>	<b>429,989,647</b>	<b>120,867,586</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO :-19**  
**CHANGES IN CONSTRUCTION WORK IN PROGRESS**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For the Scheme Shree Vishnu Dhara Cross Road</b>		
Closing Construction Work in Process	21,144,134	150,303,453
Opening Construction Work in Process	150,303,453	195,910,799
<b>Change In Construction Work in Process (a)</b>	<b>129,159,319</b>	<b>45,607,346</b>
<b>For the Scheme Shree Vishnu Dhara Garden</b>		
Closing Construction Work in Process	349,256,909	-
Opening Construction Work in Process	-	-
<b>Change In Construction Work in Process (b)</b>	<b>(349,256,909)</b>	<b>-</b>
<b>For the Works Contract of Club Babylon</b>		
Closing Construction Work in Process	79,162,652	-
Opening Construction Work in Process	-	-
<b>Change In Construction Work in Process (c)</b>	<b>(79,162,652)</b>	<b>-</b>
<b>Cummulative</b>		
Closing Construction Work in Process	449,563,695	150,303,453
Opening Construction Work in Process	150,303,453	195,910,799
<b>Change In Consturction Work in Process (a) + (b) + (c)</b>	<b>(299,260,242)</b>	<b>45,607,346</b>
<b>(Increase)/Decrease in in value of Closing Work in Progress [a + b + c]</b>	<b>(299,260,242)</b>	<b>45,607,346</b>

**NOTE NO :-20**  
**EMPLOYEE BENEFIT EXP.**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
Salary to Staff	5,263,507	3,503,667
Director's Remuneration	-	1,500,000
PF Expenses	6,796	-
ESIC Expenses	36,242	-
Staff Welfare Expense	153,394	28,000
<b>Total</b>	<b>5,459,939</b>	<b>5,031,667</b>

**NOTE NO :- 21**  
**FINANCIAL COST**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
Interest on TATA Project Loan	552,191	3,900,545
Interest Paid For Machinery Loan A/c No.27113351	-	85,197
Interest Paid For Machinery Loan A/c No.27113353	-	69,097
Interest Paid on Car Loan	73,201	-
Interest on payment of Service Tax	430,074	704
Late Payment Interest On Tds	44,315	27,603
Late Payment Interest On Professional Tax	3,866	5,605
Interest Expense on Others	295,376	448,767
Bank Charges	16,150	24,130
Loan Processing Fees	2,500,000	9,317
Interest on Income Tax	137,795	10,378
Interest on VAT	11,876	8,163
<b>TOTAL</b>	<b>4,064,844</b>	<b>4,589,506</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO :- 22**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For Club Babylon</b>		
Advertisement	504,000	-
Architect Fees	5,453,699	-
Fabrication Work	51,154	-
Labour Expense	1,184,457	-
Repair and Maintenance Expense	246,020	-
Transportation Expense	3,151,183	-
Water Expense	20,625	-
Fuel Expense	118,350	-
Machine Maintenance Contract	140,000	-
Professional Fee Expense	1,100,000	-
Reimbursement Expense	39,650	-
Excavation - dr to club	2,482,813	-
Fabrication Work - DR TO CLUB	10,600	-
LABOUR EXPS - DR TO CLUB	291,626	-
RCC Labour Expense- DR TO CLUB	12,909,005	-
<b>Total (A)</b>	<b>27,703,182</b>	<b>-</b>
<b>For Shree Vishnudhara Bungalows</b>		
Advertisement	155,000	-
Excavation Expense	11,595	-
Water Expense	19,820	-
Professional Fee Expense	523,110	-
Security Expense	59,774	-
<b>Total (B)</b>	<b>769,299</b>	<b>-</b>
<b>For Shree Vishnudhara Cross Road</b>		
Advertisement	-	2,196,672
Brokerage Exp.	118,505	257,175
Drainage Connection Charges	-	120,460
Electric Exp.	-	2,689,203
Electric Labour Exp	-	2,232,150
Excavation Exp.	-	208,824
Fabrication Work	-	257,234
Gardening Expense	-	420,000
Glass Fitting Charges	-	675,263
House Keeping Exp.	-	126,033
Labour Exp.	-	16,761,189
Labour For Tube Well (Purchase Expences)	-	160,538
Municipal Tax	-	59,120
Plan Pass	-	12,594,534
R.C.C Labour Exp.	-	2,048,710
Site Exp.	-	205,504
Stamp Duty Exps.	4,875,300	12,164,500
Transportation Exp.	-	210,307
VAT Exp.	898,668	1,442,355
Water Proffing Labour Charges	-	845,166
DONATION EXP	-	200,000
Electric Exp	-	141,596
Fuel Expenses	-	59,200
Insurance Exp.	-	2,209
Internet Exp.	-	135,928
Legal and Professional Charges	11,620	94,775
Loading & Unloading Charges	-	11,150
Machine Insurance A/c	-	31,230
Machine Maintenance Contract	-	136,600
Misc. Expense	-	17,601
Newspaper & Megazine Exps.	-	7,540
Printing & Stationary Exps.	-	429,979
Professional Fee Exps.	-	247,500
Registration Fee Exp	721,530	2,201,330
Repair & Maintance Exps.	-	206,321
Security Expenses	-	147,200
Service Tax Exp.	1,213,515	11,666,836
Software Development Charges	-	250,000
TDS Expense	-	1,009
Travelling Exp.	-	311,212
<b>Total (C)</b>	<b>7,839,138</b>	<b>71,974,153</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO :- 22**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For Shree Vishnudhara Garden</b>		
Advertisement	1,430,990	-
Architect Fees	1,999,999	-
Brokerage Exp.	1,600,000	-
Electric Exp.	254,910	-
Excavation Exp.	523,679	-
Fabrication Work	240,222	-
Labour Exp.	2,192,229	-
Petrol & Diesel Exp	256,356	-
Plan Pass	9,562,974	-
Repair & Maintance Exps.	103,269	-
Site Exp.	347,727	-
Stamp Duty Exps.	1,120,000	-
Transportation Exp.	3,114,721	-
Donation Exp	11,000	-
Machine Maintenance Contract	236,129	-
Office Exp.	11,546	-
Penalty Exp.	18,750	-
Professional Fee Exps.	220,398	-
Security Expenses	254,398	-
Stationery Exp	11,938	-
Legal and professional	110,522	-
VAT	65,312	-
Telephone Exps	12,000	-
<b>Total (D)</b>	<b>23,699,069</b>	<b>-</b>
<b>For Shree Vishnudhara Homes</b>		
Advertisement	81,140	-
Excavation Exp.	232,913	-
Fabrication Work	643,027	-
Glass Fitting Charges	875,387	-
Labour Exp.	34,534,835	-
Petrol & Diesel Exp	31,760	-
Repair & Maintance Exps.	84,647	-
Site Exp.	539,659	-
Transportation Exp.	844,065	-
Water Proffing Labour Charges	747,782	-
Loading & Unloading Charges	3,800	-
Machine Maintenance Contract	300,000	-
Office Exp.	30,596	-
Professional Fee Exps.	52,500	-
Stationery Exp	5,882	-
Legal and professional Fees	17,500	-
Printing and stationery	16,485	-
<b>Total (E)</b>	<b>39,041,978</b>	<b>-</b>

**ART NIRMAN LIMITED**  
**NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED ON 31-03-2017**

**NOTE NO :- 22**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
<b>For Office</b>		
Advertisement	465,170	-
Auditor's Remuneration (refer note-22a)	200,000	100,000
Municipal Tax	59,120	-
Registration Fees Exp.	72,061	-
VAT on Unregistered Dealer	153,026	-
Bo Verification Charges	32,000	-
Courier & Postage Exps.	140	-
Electric Exp	95,882	-
Insurance Exp.	72,374	-
Joining Fees	30,000	-
Annual Custodian Fees	42,500	-
Legal And Professional Charges	225,337	-
License Exp.	25,500	-
Listing Fees	40,000	-
Lock In Fees-Cdsl	3,000	-
Machine Insurance A/C	10,234	-
Mca Fees	7,800	-
Misc. Expense	736	-
Newspaper & Megazine Exps.	2,400	-
Office Exp.	14,125	-
Penalty On S Tax	23,036	-
Printing & Stationary Exps.	499,858	-
Professional Fee Exps.	5,999,549	-
Penalty on VAT	2,000	-
Repair & Maintance Exps.	187,124	-
Roc Stamp Duty	1,211,415	-
Service Tax Exp.	25,608	-
Swachh Bharat Cess	319,504	-
Stamp Duty Exp.	130,000	-
Telephone & Mobile Exps.	58,244	-
Software Exps	7,875	-
<b>Total (F)</b>	<b>10,015,618</b>	<b>100,000</b>
<b>Total (a+b+c+d+e+f+g)</b>	<b>109,068,284</b>	<b>72,074,153</b>

**NOTE NO :- 22a**  
**Auditors' Remuneration**

PARTICULARS	FOR THE YEAR ENDED ON 31/03/2017 (Rs.)	FOR THE YEAR ENDED ON 31/03/2016 (Rs.)
Statutory Audit Fees	120,000	60,000
Tax Audit Fees	80,000	40,000
<b>Total</b>	<b>200,000</b>	<b>100,000</b>

**Art Nirman Limited**

14, JBR Arcade, Nr. R K Royal Hall,  
 Science City Road, Sola,  
 Ahmedabad – 380060,  
 Gujarat, India

Email id: [info@artnirman.com](mailto:info@artnirman.com)

Website: [www.artnirman.com](http://www.artnirman.com)

CIN: U45200GJ2011PLC064107

06<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September 2017.

**ATTENDANCE SLIP**

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For physical Shares

DP ID:	Regd. Folio No:
Client ID:	Nos. of shares held:

Full Name of the Member attending: \_\_\_\_\_

Name of the proxy: \_\_\_\_\_

(To be filled in if proxy has been duly deposited with the Company)

I, hereby record my presence at the 6<sup>th</sup> Annual General Meeting of the company to be held on Saturday, 30<sup>th</sup> September 2017 at 10.00 a. m. at Club Babylon, S P Road, Nr. Science City Circle, Bhadaj, Ahmedabad 380060, Gujarat, India.

\_\_\_\_\_  
 (Members' / Proxy's signature)

(To be signed at the time of handing over this slip)

\*Persons attending the Annual General Meeting are required to bring their Annual Report.

**Art Nirman Limited**

14, JBR Arcade, Nr. R K Royal Hall,  
 Science City Road, Sola,  
 Ahmedabad – 380060,  
 Gujarat, India

Email id: [info@artnirman.com](mailto:info@artnirman.com)

Website: [www.artnirman.com](http://www.artnirman.com)

CIN: U45200GJ2011PLC064107

6<sup>th</sup> Annual General Meeting – 30<sup>th</sup> September 2017

**PROXY FORM**

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

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

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

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

Folio No. / Client Id: \_\_\_\_\_

DP Id: \_\_\_\_\_

I/ We, being the member of \_\_\_\_\_ Equity shares of Art Nirman Limited, hereby appoint:

Name:	Email id:
Address:	Signature:

Or failing him / her

Name:	Email id:
Address:	Signature:

Or failing him / her

Name:	Email id:
Address:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the  
 6<sup>th</sup> **Annual General Meeting** of the Company, to be held on the Saturday, 30<sup>th</sup> September, 2017 at 10.00  
 a.m. at Club Babylon, S P Road, Nr. Science City Circle, Bhadaj, Ahmedabad 380060, Gujarat, India and at  
 any adjournment thereof in respect of such resolutions as are indicated overleaf:



Sr. No	Resolution	Vote - Refer Note 4		
		For	Against	Abstain
	<b>ORDINARY BUSINESS</b>			
1	Adoption of the Financial Statements of the Company and reports of the Auditors and the Directors thereon.			
2	Re Appointment of M/s Dhiren Shah & Co, Chartered Accountant, Ahmedabad as Statutory Auditor.			
3	Re Appointment of Ms. Dharmishthaben Thakkar as Director of the Company			
4	Appointment of Mr. Piyush Thakkar as Executive Director of the Company			
5	Increase in Borrowing Powers of the Company upto INR 300 Crore under provisions of Section 180(1)(C) of Companies Act 2013.			
6	Increase in limits prescribed under Section 186 of Companies Act 2013.			

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Member(s)

Signature of Proxy Holder

Affix Revenue Stamp of not less than Re. 1/-
--

**Notes:**

1. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 6<sup>th</sup> Annual General Meeting.
2. 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.
3. A Proxy need not be a member of the Company.
4. It is optional to indicate your preference. If you leave 'for', 'against' or 'abstain' column blank against any or all of the resolutions, your proxy will be entitled to vote in any manner as he/she may deem appropriate.

**Art Nirman Limited**

14, JBR Arcade, Nr. R K Royal Hall,  
Science City Road, Sola,  
Ahmedabad – 380060,  
Gujarat, India

Email id: [info@artnirman.com](mailto:info@artnirman.com)

Website: [www.artnirman.com](http://www.artnirman.com)

CIN: U45200GJ2011PLC064107

