
ART NIRMAN LIMITED



ANNUAL REPORT 2018-19

Committed for giving Value for Money by timely execution of projects while maintaining committed standard.

CONTENTS

Corporate Information.....	3
----------------------------	---

Letter Form CMD	5
-----------------------	---

Notice	6
--------------	---

Board' Report along with Annexures.....	17
---	----

Ongoing Projects.....	54
-----------------------	----

Independent Auditor's Report on Standalone Financial Statements.....	56
--	----

Standalone Financial Statements	64
---------------------------------------	----

Attendance Sheet and Proxy Form	84
---------------------------------------	----

Route Map.....	88
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CORPORATE INFORMATION

Board of Directors & KMP



Ashokkumar Thakker
Chairman and Managing Director



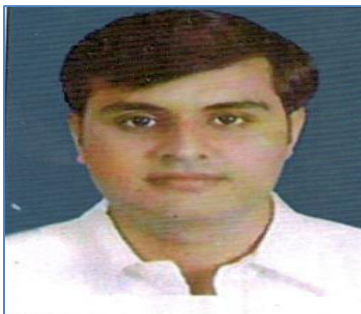
Dharmishthaben Thakkar
Non Executive Director



Piyush Thakkar
Executive Director



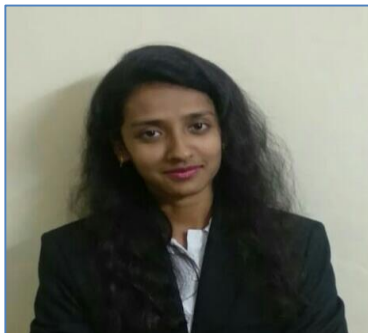
Kirtar Munshi
Chief Financial Officer



Krunal Mistry
Independent Director



Hemang Shah
Independent Director



Yesha Yatishbhai Shah
Company Secretary

Statutory Auditor

*Arpan Shah & Associates
Chartered Accountants*

*301, Shoppers Plaza-IV, Opp. BSNL,
C. G. Road, Ahmedabad 380 009.*

Phone : 079-48977123

Secretarial Auditor

*Yash Mehta & Associates
Company Secretaries*

*67, Chinubhai Tower, Opp. Handloom
Ashram Road, Ahmedabad - 380009*

Phone: 079-40370062

Audit and Risk Management Committee

Krunal Mistry - Chairman

Hemang Shah - Member

Ashokkumar Thakker - Member

Stakeholder Relationship Committee

Krunal Mistry - Chairman

Hemang Shah - Member

Ashokkumar Thakker - Member

Nomination Remuneration Committee

Krunal Mistry – Chairman

Hemang Shah – Member

Dharmishthaben Thakkar – Member

Registered Office**Art Nirman Limited**

*410, JBR Arcade, Science City Road,
Sola, Ahmedabad – 380060,
Gujarat, India
Phone : 079-27710511/12
Email id: cs@artnirman.com
Website: www.artnirman.com
CIN: L45200GJ2011PLC064107*

Registrar and Share Transfer Agent**Sharex Dynamic India Private Limited**

*Unit-I, Luthra Industrial Premises,
Safed Pool, Andheri Kulra Road,
Andheri (East), Mumbai 400072,
Maharashtra, India
(O) 022 2851 5606 / 44
(F) 022 2851 2885
(E) sharexindia@vsnl.com*

Bankers/Lenders

*HDFC Bank Limited
ICICI Bank Limited
Tata Capital Housing Finance Ltd*

From the desk of CMD



To,
The Fellow Shareholders,

It gives me an immense pleasure in communicating with you and sharing the insights. The country is passing through a much needed transformation and it has lead to many challenges ranging liquidity crunch, slow demands etc. Obviously your company can not remain an exception and has to face it. Further the global slow down is also impacting the performance of our country and hence your management is taking a very cautious view of the situation being confronted.

However your management is committed to work with utmost efficiency in all the areas of business and thereby mitigating the risks beings faced.

I take this opportunity to assure you that the company is committed to timely execution of ongoing projects and company is getting good response. Also the company is planning to come up with new residential project in the current fiscal which will help the company in continuing the momentum.

Lastly I extend my sincere thanks to all the stakeholders of the company for their continued trust reposed in the management of the company and thereby being a part of the growth path of the company.

Sincerely yours,

SD/-

Ashokkumar Thakker
Chairman & managing Director

Place: Ahmedabad

Date:19.08.2019

NOTICE

Notice is hereby given that 8th Annual General Meeting of members of Art Nirman Limited will be held on Thursday, 26th September 2019 at Club Babylon, S P Road, Nr. Science City Circle, Bhadaj, Ahmedabad 380060, Gujarat, India at 10:30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

01. Adoption of Audited Financial Statements:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on 31st March 2019, including Audited Balance Sheet as at 31st March 2019, the statement of Profit and Loss Account and the cash flow statement for the year ended on 31st March, 2019 along with the reports of Auditors and Directors thereon.

02. Re-appointment of Directors Retiring by Rotation:

To appoint a Director in place of Mr. Piyushkumar Thakkar (DIN: 07555460), who, retires by rotation and being eligible offers himself for re-appointment.

03. Re-Appointment of Statutory Auditors:

To consider and if thought 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. Arpan Shah & Associates, Chartered Accountants (FRN.: 125049W, Peer Review Certificate No. 011646), was appointed as the statutory auditors in the EOGM held on 28th June, 2019 to hold the office of the auditors till the conclusion of the ensuing AGM to fill the casual vacancy caused by resignation of M/s. Dhiren Shah & Co., Chartered Accountants (FRN: 114633W) be and is hereby reappointed as Statutory Auditors of the Company to hold office until the conclusion of 13th Annual General Meeting of the Company held on FY 2023-2024 (for a term of 5 years).”

SPECIAL BUSINESS:

04. Approval of loans, investments, guarantee or security u/s 185 of Companies Act, 2013:

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “Special Resolution”.

“RESOLVED THAT, pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the

Company, (in which any director is deemed to be interested) or to Managing Director or Whole time director of the company upto an aggregate sum of INR 100 Crores (Rupees Hundred Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

05. Approval of Members for increase in overall limit of Managerial Remuneration u/s 197 of the Companies Act, 2013.

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “Special Resolution”.

“**RESOLVED THAT**, pursuant to the section 197 read with Schedule V of the Companies Act, 2013 (The Act), Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and in supersession of all the earlier resolution (including ordinary resolution and/or Special resolution if any) the consent of the members of the Company be and is hereby accorded to increase the overall limit of yearly remuneration payable as per net profit calculated u/s 198 of the companies act, 2013 to the managerial persons including the directors of the Company from existing INR 20,40,000/- (Rupees Twenty Lakh Forty Thousand) to 40,00,000 (Rupees Forty Lakhs only).

“RESOLVED FURTHER THAT, this resolution shall become effective from 1st April, 2019 and could remain in existence not exceeding a period of three years from the date of passing of this resolution.”

06. Approval of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate u/s 186 of the Companies Act, 2013.

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “Special Resolution”.

“**RESOLVED THAT**, pursuant to the provisions of Section 186 of the Companies Act, 2013 (“the Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution), to (i) give any loan to any person or other body corporate; (ii) give any guarantee or provide any security in connection with a loan to any other body corporate or person and (iii) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided

by the Company, from time to time, in future, shall not exceed a sum of INR 100 Crores (Rupees Hundred Crores only) over and above the limit prescribed u/s 186 of the Companies Act,2013.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

Place: Ahmedabad
Date: 19th August, 2019

By order of the Board
For Art Nirman Limited

Registered office:
410, JBR Arcade,
Science City Road, Sola,
Ahmedabad 380060,
Gujarat, India.
CIN: L45200GJ2011PLC064107

Sd/-
YeshaYatishbhai Shah
Company Secretary & Compliance
Officer

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 1st Joint holder will be permitted to vote.
4. Pursuant to provision of section 91 of the Companies Act, 2013 read with rule 10 of the Companies (Management and Administration) Rule, 2014 the Register of Members and Share Transfer Register of the company will remain closed from September 20, 2019 to September 26, 2019 (both days inclusive) for Annual General Meeting for Financial Year 2018-19.
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 keeps the required information available at meeting.
10. Annual Report for the financial year 2018-19 of the company has been uploaded on website of the Company i.e. 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 the 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. The members whose name are appear in the Register of Member as on Friday, 23rd August, 2019 are eligible for receiving Notice and Annual Report of the 8th Annual General Meeting of the company.
16. In compliance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Secretarial Standards issued by the Institute of Company Secretaries of India, the Company has considered 19th September, 2019 to determine the eligibility of Members to vote by electronic means or through physical ballot at the AGM (Cut off date). The persons whose names appear on the Register of Members/List of Beneficial Owners as on the Cut off date would be entitled to vote through electronic means or through physical ballot at the AGM.
17. In terms of section 108 of Companies Act 2013 read with Companies (Management and Administration) Rules 2014, as amended from time to 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. 22.

18. Mr. Yash Mehta, Practicing Company Secretary, Ahmedabad (Membership No. 45267) has been appointed as Scrutinizer to scrutinize voting and remote e voting process in fair and transparent manner.

19. The Scrutinizer shall within a period not exceeding 48 hours 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.
20. 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 and on the website of CDSL.
21. 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.
22. 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:

- a) Open the internet browser and type the following URL: <https://www.evotingindia.com>
- b) Click on Shareholders – Login.

Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- f) If you are a first time user follow the steps given below.

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>- In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the</p> <p>name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank details or Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- g) After entering these details appropriately click on 'SUBMIT' tab.
- h) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu

wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting 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.

- i) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j) Click on the **EVSN: 190822027** of Art Nirman Limited on which you choose to vote.
- k) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details
- m) 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.
- n) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- p) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- r) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- s) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

Section B: Other instructions regarding Remote e-voting

- i) The Remote e-voting period shall commence on Monday, 23rd September 2019 at 09.00 am and shall end on Wednesday 25th September 2019 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 19th September 2019, 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 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.
 - 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 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

Place: Ahmedabad
Date: 19th August, 2019

By order of the Board
For Art Nirman Limited

Registered office:
410, JBR Arcade,
Science City Road, Sola,
Ahmedabad 380060,
Gujarat, India.
CIN: L45200GJ2011PLC064107

Sd/-
YeshaYatishbhai Shah
Company Secretary & Compliance
Officer

Explanatory Statement pursuant to Section 102 of Companies Act 2013:

Item No.:4: Approval of Loans, Investments, Guarantee or Security Under Section 185 Of Companies Act, 2013:

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities. Hence, in order to enable the company to advance loan to Managing Director/Whole Time Director/Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution for approval by the members.

Except Ashokumar Thakker, Dharmishthaben Thaakar and Piyushbhai Thakkar None of the Director, KMP and their relatives is in any way concerned or interested financially or otherwise in this resolution except to the extent of their shareholding.

Item No.5: Increase the overall limit of Managerial Remuneration u/s 197 of the Companies Act, 2013.

The Nomination and Remuneration Committee (for brevity "The Committee") of the Board of the Company has evaluated the performance made and the responsibilities carried out and discharged by the Managing Director, and other executive director of the company during the preceding financial year under review and the Committee believe that remuneration of the directors other than independent directors should be increased in future.

The calculation of the remuneration payable by the Company to its Managerial Persons including the directors of the company as per the manner laid down under the section 197 and 198 of the Companies Act,2013 is less than the amount recommended by the Committee and therefore the as per the provisions of section 197 and section I of Schedule V of the Companies Act, 2013 company requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution for approval by the members.

Except Ashokumar Thakker, Dharmishthaben Thaakar and Piyushbhai Thakkar None of the Director, KMP and their relatives is in any way concerned or interested financially or otherwise in this resolution except to the extent of their shareholding.

Item No.6: Approval of Members for increase in the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate u/s 186 of the Companies Act,2013.

As per the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time, prior approval of the Members is being sought for the same.

The Board of Directors Recommend the Special Resolution for approval by the members.

Except Ashokumar Thakker, Dharmishthaben Thakkar and Piyushbhai Thakkar None of the Director, KMP and their relatives is in any way concerned or interested financially or otherwise in this resolution except to the extent of their shareholding.

Details of director seeking re-appointment at the Annual General Meeting

(Pursuant to the provisions of Regulation 36(3) of SEBI (LODR), 2015 and Secretarial Standards on General Meetings ("SS-2") issued by Institute of Company Secretaries of India)

Name of the Director	Piyushkumar Chandrakantbhai Thakkar
Date of Birth	12/11/1982
DIN	07555460
PAN	AEJPT8651B
Education Qualification	Graduate
Date of Appointment	08.09.2017
Experience	More than Twelve years of experience in Real Estate Sector
Nature of expertise in specific functional area	Business Management for Real Estate Company.
Disclosure of relationship between director inter se	Mr. Piyushkumar Thakkar belongs to the promoter group. He is not related to the any existing director as per the Companies Act ,2013
Names of listed entities in which the person also holds the directorship and the membership of Committees of the board;	Not Applicable

Details of Auditor seeking re-appointment at the Annual General Meeting

(Pursuant to the provisions of Regulation 36(5) of SEBI (LODR), 2015)

Name of the Auditor Firm	Arpan Shah & Associates
Name of the Auditor	CA Arpan Shah
FRN no.	125049W
Membership Number	116736
Proposed Fees Payable	6 Lakhs p.a. (plus applicable taxes)
Terms of Appointment	Statutory Audit & Tax Audit

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 8th Annual Report of the company along with Audited Financial Statements for the financial year ended on 31st March, 2019. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective. The Board of Directors feels pleasure and is very much thankful to all the stakeholders of the company who have shown their trust and interest in Company.

FINANCIAL PERFORMANCE:

The highlights of financial performance for the year 2018-19 in comparative format are as under:

(Standalone-In INR Lakhs)

Particulars for the year ended	March 31, 2019	March 31, 2018
Total Revenue	1951.36	3498.24
Financial Expense	798.56	554.16
Profit Before Depreciation and Tax	261.24	241.81
Less: Depreciation	76.04	81.77
Profit Before Tax	185.20	160.03
Less: Tax Expense (including deferred tax)	53.46	47.99
Profit After Tax	131.74	112.04
Surplus Brought Forward	199.11	87.07
Balance Carried to Balance Sheet	338.98	199.11

STATE OF COMPANY'S AFFAIRS:

- During the year under review, your Company has achieved total net sales of INR 1951.36 lakhs and achieved Net Profit After Tax (NP) of INR 131.74 Lakhs.
- The Profit after Tax of the Company increased by 15% in the FY 2018-19 due to operational efficiencies.

DIVIDEND

Your Board of Directors regret their inability to recommend and declare any dividend with a view to be conserve the resources and to plough back the profits of the Company for future growth of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

There is no unpaid/unclaimed dividend during the year, hence 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 closing balance of INR 3,38,97,849/- as Reserve and Surplus as on 31.03.2019 including the profits of the current year of INR 1,31,73,730/-.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, Joint Ventures or associate company 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. 2018-19.

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 has raised its authorized capital from INR 8,00,00,000/- (Rupees Eight crores) divided into 80,00,000 equity shares of INR 10/- each to INR 25,00,00,000 (Rupees Twenty-five Crores) divided into 2,50,00,000 equity shares of INR 10/- each by passing shareholder resolution in the Extra Ordinary General Meeting held on 30th May, 2018.

The Authorised Share Capital of the company as on 31st March, 2019 is INR 25,00,00,000 (Rupees Twenty-five Crores) and Paid up capital of the company as on 31st March, 2019 is INR 12,17,60,000 (Rupees Twelve Crore Seventeen Lakhs Sixty Thousand) divided into 1,21,76,000 equity shares of INR 10/- each.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENT:

Your company is in comply with provision of Section 185 & 186 of the Companies Act, 2013 provide loan to the one trust and details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes of financial statement.

PARTICULARS OF RELATED PARTY TRANSACTION:

During the year, Company has entered in to 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 format of 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**

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 31st March 2019, the Board of Company comprises of 5(Five) Directors. The Chairman of the Board is an Executive Director.

➤ **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 Mr. Piyushkumar Thakkar (DIN: 07555460), being Executive Director, is liable to retire by rotation and being eligible offers himself for reappointment as Director of the Company. Necessary resolution for his reappointment is placed before you for your approval in Annual General Meeting.

➤ **Declaration from Independent Director**

The Company has received declarations from all Independent Directors of the Company that they continue to meet the criteria of independence as prescribed under Section 149 of the Companies Act 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015. The Independent Directors have code of conduct.

Therefore Board is duly composed as per the Companies Act 2013 provisions and SEBI (Listing Obligation and Disclosure Requirements), 2015. There is no change held in the composition of Board of Directors during the Financial Year 2018-19.

BOARD AND COMMITTEE COMPOSITION AND MEETINGS:

➤ **Board Meeting and Composition**

The Board of Directors met 10 times during the financial year 2018- 2019 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The intervening gap between two board meetings was within the period prescribed under the Companies Act, 2013 and as per Secretarial Standard-1. The prescribed quorum was presented for all the Meetings and Directors of the Company actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

10 board meeting are held as under:

\$ 05.04.2018	\$ 06.09.2018
\$ 06.05.2019	\$ 11.10.2018
\$ 30.05.2018	\$ 08.11.2018
\$ 20.07.2018	\$ 22.11.2018
\$ 01.09.2018	\$ 09.02.2019

Name of Director	Designation	Category	No of Board Meetings entitled to attend during the year.	No of Board Meetings attended during the year
Ashokkumar Thakker	CMD	Promoter	10	10
Piyushkumar Thakkar	ED	Promoter	10	10
Dharmisthaben Thakkar	NED	Promoter	10	10
Krunal Mistry	NED	Independent	8	8
Hemang Shah	NED	Independent	4	4

CMD – Chairman and Managing Director, ED – Executive Director, NED Non Executive Director.

➤ **Meeting of Independent Directors:**

During the year under review, the Independent Directors duly met on 08th November, 2018 in absence of other non-independent Directors and reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of Chairperson of the Company, taking into account the views of the other Executive and Non-Executive Directors.

➤ **Committee Meeting and Composition**

The Company has three committees viz; Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee which has been established as a part of the better corporate governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes.

➤ **Audit Committee:**

The Audit Committee of the Company was originally 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.

5 (Five) Audit Committee meetings were held during the year 2018-19 at the Registered Office of the Company, respectively on 05.04.2018, 30.05.2018, 06.08.2018, 08.11.2018, 09.02.2019. 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. 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.

The Members of the Committee are:-

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Krunal Mistry	Independent	Chairman	5	5
AshokkumarThakker	Promoter	Member	5	5
Hemang Shah	Independent	Member	5	5

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.

➤ **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was originally 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 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.

2 (Two) meetings of the committee were held during the year 2018-19 at the Registered Office of the Company on 05.04.2018 and 06.09.2018.

the Members of the Committee are as follow:

Name	Category	Position	Number of meetings entitled to attend	No. of meetings attended
Krunal Mistry	Independent	Chairman	2	2
Hemang Shah	Independent	Member	2	2
Dharmisthaben Thakkar	Non Executive Director	Member	2	2

➤ **Stakeholders Relationship Committee**

The Stakeholders Relationship Committee was originally 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.

4 (Four) meetings were held during the year 2018-19 at the Registered Office of the Company on 30.04.2018, 14.07.2018, 26.10.2018 and 26.02.2019.

The Members of the Committee are as under:

Name	Category	Position	Number of meetings entitled to attend	Number of meetings attended
Krunal Mistry	Independent	Chairman	4	4
AshokkumarThakker	Promoter	Member	4	4
Hemang Shah	Independent	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 shareholder's complaints.

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 Munshi is holding post of Chief Financial Officer of the Company since 03rd September 2016.

COMPANY SECRETARY:

Ms. YeshaYatishbhai Shah*, a member of Institute of Company Secretaries of India is holding post of Company Secretary of the Company from 01st June 2019.

*Ms. Ziral Pankajkumar Soni resigned from the post of company secretary on 10th April, 2019 and board of director of the company has appoint Ms. Yesha Yatishbhai Shah as company secretary with effect from 01st June, 2019.

COMPLIANCE OFFICER

The Compliance officer of the Company is Ms. Yesha Yatishbhai Shah*, being the member of Institute of Company Secretaries of India, designated as Company Secretary and holding the post of compliance officer since 01st June, 2019.

*Ms. Ziral Pankajkumar Soni resigned from the post of compliance officer on 10th April, 2019 and board of director of the company has appointed Ms. Yesha Yatishbhai Shah as compliance officer with effect from 01st June, 2019.

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, 2018, 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 HAS OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

After the close the Financial Year on 31st March 2019 and before the date of the Report, following material changes affecting the financial position of the Company have occurred:

1. The Board of Directors in their Board Meeting held on 25th April, 2019 have allotted 5130000 Equity Shares (Convertible warrant which are converted into equity shares) of INR 10/- each, at INR 16/- each to the allottees approved by the members.
2. The Board of Directors in their Board Meeting held on 2nd May, 2019 have allotted 7650000 Equity Shares (Convertible warrant which are converted into equity shares) of INR 10/- each, at INR 16/- each to the allottees approved by the members.
3. Members of the company in their Extra Ordinary General Meeting held on 28th June 2019 have passed the resolution for appointment of M/s. ARPAN SHAH & ASSOCIATES, Chartered

Accountants (FRN.: 125049W, Peer Review Certificate No. 011646) as Statutory Auditor of the company till the date of ensuring Annual General Meeting to fill the casual vacancy caused by M/s. Dhiren Shah & Co., Chartered Accountants (FRN: 114633W).

4. The board of director of the company on their meeting held on 8th July 2019 decided to migrate on the main board for that approval of shareholders by way of following postal ballot procedure is required. Till 22nd July 2019 Notice of Postal Ballot sent to the all the shareholders of the company via E-Mail and Physical Mode. The result for the same will be declare on 26th August 2019.

Other Relevant Disclosure:

5. The company has filed appeal against the order levying penalty by NSE for imposing fine of INR 10,19,936/- under section 108 (2) of SEBI (ICDR) Regulation, 2009 on 12.07.2019 for delay in filing application of listing of shared allotted pursuant to conversion of warrants allotted to promoter group of 1,27,80,000 equity shares However the company's case is that the regulation prescribing time line have already been repealed and replaced with amended guideline and hence there is no delay. The matter is yet to be listed for hearing.

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

The shareholders of the company on its Extra Ordinary General Meeting held on 28th June, 2019 has appointed M/s. Arpan Shah & Associates, Chartered Accountants (FRN.: 125049W, Peer Review Certificate No. 011646) till the ensuring Annual General Meeting to fill the casual vacancy caused by the resignation of M/s. Dhiren Shah & Co., Chartered Accountants (FRN: 114633W).

There are no qualifications, reservations or adverse remarks (subj. to notes forming integral part of financial statements) made by M/s. Arpan Shah & Associates, 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**

As required under provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, the Board has appointed the Secretarial Auditors of the Company, M/s Yash Mehta & Associates, Practicing Company Secretaries, for conducting the Secretarial Audit for the FY 2018-19.

Secretarial Audit Report in Form MR-3 issued by the Secretarial Auditor of the Company for the year ended on March 31, 2019 is attached to the Director's Report as **Annexure- C**.

➤ **Board's Comments on the Secretarial Audit Report**

The Company has not filed Investor Grievance Report, Certificate under Regulation 7 and 40(10) of SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2018.

Your Directors have noted the remarks mentioned by Secretarial Auditor in his report and clarifies that the non-submission is purely unintentional and the management does not have any malafide intention. It is just an oversight and lapse and the same is corrected and uploaded on the website of the Company for members' reference.

➤ **Cost Audit& Cost Record**

As per the section 148 of the Companies Act, 2013, and the Companies (Cost Records and Audit) rules, 2014 and as per notified by the Central Government the cost audit is applicable to the company who is in the process of manufacturing.

Your company is not covered u/s 148 of the Companies Act, 2013, and the Companies (Cost Records and Audit) rules, 2014 so there is no requirement of cost audit.

➤ **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:

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as **Annexure-D**.

The statement containing particulars of employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company.

If any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

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 disclosures required to be made under the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption are not applicable to the Company. 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 developed risk management policy. The Company has in place, a mechanism to identify, assess, monitor and mitigate various risks towards the key business objectives of the Company. Major risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management is being taken care by the Audit Committee of the Company.

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 E** 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.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013.

The Company has always been committed to provide a safe and conducive work environment to its employees. Your Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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: 19.08.2019
Place: Ahmadabad

For and on behalf of the Board of Directors

AshokkumarRaghuramThakker
Chairman & Managing Director
DIN: 02842849

Annexure A

To the Director's Report

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 including certain Arm's Length transactions under third proviso thereto-

- During the F.Y. 2018-19, Company has not entered into any related party transactions however ongoing related party transactions of previous year are as follows, which all are at Arm's Length basis:

Particulars	Details	Details	Details
Name of Related Party and nature of Relationship	M/s Art Club Private Limited, Directors of the company are directors and shareholder of said related party	Art Club Private Limited, Directors of the company are directors and shareholder of said related party & Mrs. Dharmisthaben Thakkar, Director of the company.	Dharmisthaben Thakkar Director and shareholder of the Company
Nature of Contract /arrangements / transactions	Works Contract	Tripartite Agreement	Lease Agreement
Duration of Contracts / arrangements/ transactions	4 years	5 years	5 years
Salient terms of the Contract.	Works Contract for Club Babylon and Four Point by Sheraton Hotel	Development of first club facility infrastructure	Taken on Lease Property of director admesuring 7128 Sq. Mtrs.
Justification for entering into such contract / arrangement /transaction.	Employees of the Company hold good command with experience in Works Contracts.	Employees of the Company hold good command with experience in development of projects.	For the construction of temporary club and office as the land has good location for building club and it's office.
Date of approval by the Board /	21.12.2016	01.04.2016	21.02.2017

Audit Committee			
Amount paid as Advance if any.	N.A.	N.A.	N.A.
Date of General meeting in which Ordinary resolution was passed	16.08.2016	29.04.2016	16.08.2016

Date: 19.08.2019
Place: Ahmadabad

For and on behalf of the Board of Directors

AshokkumarRaghuramThakker
Chairman & Managing Director
DIN: 02842849

Annexure B

MGT-9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2019

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

1. Registration and other Details:

1)	Name of Company	Art Nirman Limited
2)	CIN:	L45200GJ2011PLC064107
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 410, JBR Arcade, Nr. R K Royal Hall, Science City Main Road, Sola, Ahmedabad 380060. (O) +91 88664 04499 (E) info@artnirman.com (W) www.artnirman.com
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 Kulra Road, Andheri (East), Mumbai 400 072, Maharashtra, India. (O) 022 2851 5606 / 44 (F) 022 2851 2885 (E) sharexindia@vsnl.com

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 buildings carried out on own-account basis or on a fee or contract basis.	41001	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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5600000	0	5600000	73.65	5600000	0	5600000	45.99	(27.65)
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
Total shareholding of Promoter (A)	5600000	0	5600000	73.65	5600000	0	5600000	45.99	(27.65)
B. Public Shareholding									
(1) Institution									
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
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.	78000	0	78000	1.03	48000	0	48000	0.39	(0.63)
i) Indian	78000	0	78000	1.03	48000	0	48000	0.39	(0.63)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholder s holding nominal share capital up to Rs. 1 lakh	282000	0	282000	3.71	246000	0	246000	2.02	(1.69)

ii) Individual shareholder s holding nominal share capital in excess of Rs 1 lakh	1644000	0	1644000	21.62	6282000	0	6282000	51.59	29.97
b) Other s (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):-	2004000	0	2004000	26.36	6576000	0	6576000	54.00	27.65
Total Public Shareholdin g (B)=(B)(1)+ (B)(2)	2004000	0	2004000	26.36	6576000	0	6576000	54.00	27.65
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7604000	0	7604000	100.00	12176000	0	12176000	100.00	0

* 12780000 Convertible warrants are converted in to the 12780000 equity share on the following dates
On 25.04.2019 5130000 warrants are converted into equivalent number of equity shares
On 02.05.2019 7650000 warrants are converted into equivalent number of equity shares
But the listing approval for the same is pending with the stock exchange.

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	55,94,995	73.58	0.00	5594995	45.95	0	(27.63)
2	Dharmisthabe nAshokkumar Thakkar	5000	0.07	0.00	5000	0.041	0	(0.03)
3	Thakkar Raghurambhai Vasrambhai	1	0.00	0.00	1	0.00	0.00	0.00
4	AshokbhaiRag hurambhai Thakkar HUF	1	0.00	0.00	1	0.00	0.00	0.00
5	Raghurambhai Vasrambhai Thakkar	1	0.00	0.00	1	0.00	0.00	0.00
6	AlpeshkumarC himanbhai Patel	1	0.00	0.00	1	0.00	0.00	0.00
7	Piyushkumar C. Thakkar	1	0.00	0.00	1	0.00	0.00	0.00

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	Ajaykumar Jamnalal Pujara	18000	0.237	01-04-2018				
				25-01-2019	900000	Buy	918000	7.539
	-Closing Balance			31-03-2019			918000	7.539
2	Kevin Arvindkumar Thakkar	18000	0.237	01-04-2018				
				25-01-2019	504000	Buy	522000	4.287
	-Closing Balance			31-03-2019			522000	4.287
3	Maulik Arvindbhai Thakkar	12000	0.158	01-04-2018				
				25-01-2019	504000	Buy	516000	4.238
	-Closing Balance			31-03-2019			516000	4.238
4	Desai Amratbhai Shakkarbhai	420000	5.523	01-04-2018				
				24-08-2018	6000	Buy	426000	5.602
				07-09-2018	-6000	Sold	420000	5.523
				14-09-2018	-6000	Sold	414000	5.445
				23-11-2018	18000	Buy	432000	5.681
	-Closing Balance			31-03-2019			432000	3.548
5	Narehkumar Amratlal Pujara HUF .	12000	0.158	01-04-2018				
				25-01-2019	402000	Buy	414000	3.400
	-Closing Balance			31-03-2019			414000	3.400
6	Chiragkumar Jayantilal Thakkar	12000	0.158	01-04-2018				
				25-01-2019	402000	Buy	414000	3.400
	-Closing Balance			31-03-2019			414000	3.400
7	Kamlesh Amrutlal Pujara	12000	0.158	01-04-2018				
				25-01-2019	402000	Buy	414000	3.400

	-Closing Balance			31-03-2019			414000	3.400
8	Thakkar Mayurkumar Jayantilal (HUF)	0	0	01-04-2018				
				25-01-2019	402000	Buy	402000	3.302
	-Closing Balance			31-03-2019		Buy	402000	3.302
9	Vineet Sureshchandra Arya	360000	4.734	01-04-2018				
	-Closing Balance			31-03-2019		No Change	360000	2.957
10	Thakker Mahesh Mahadev	0	0	01-04-2018				
				25-01-2019	240000	Buy	240000	1.971
	-Closing Balance			31-03-2019		Buy	240000	1.971
11	Jignesh Rasiklal Shah	54000	0.710	01-04-2018				
				25-01-2019	102000	Buy	156000	1.281
	-Closing Balance			31-03-2019			156000	1.281
12	Pujara Ajay Jamnalal HUF.	60000	0.789	01-04-2018				
				20-07-2018	18000	Buy	78000	1.026
				27-07-2018	12000	Buy	90000	1.184
				14-09-2018	6000	Buy	96000	1.262
	-Closing Balance			31-03-2019			96000	0.788
13	Jaspreet Singh Sabherwa	96000	1.262	01-04-2018				
	-Closing Balance			31-03-2019		No Change	96000	0.788
14	Rakhee Sabherwal	90000	1.184	01-04-2018				
	-Closing Balance			31-03-2019		No Change	90000	0.739
15	Arvindkumar Kantilal Thakkar	72000	0.947	01-04-2018				
	-Closing Balance			31-03-2019		No Change	72000	0.591
16	Deepaben Ajay Pujara	48000	0.631	01-04-2018				
				29-06-2018	12000	Buy	60000	0.789

				24-08-2018	6000	Buy	66000	0.868
				07-09-2018	6000	Buy	72000	0.947
	-Closing Balance			31-03-2019			72000	0.591
17	Kalpanaben Kamleshbhai Thakkar	48000	0.631	01-04-2018				
	-Closing Balance			31-03-2019		No Change	48000	0.394
18	Fineotex Chemical Limited	42000	0.552	01-04-2018				
	-Closing Balance			31-03-2019		No Change	42000	0.345

Changes in Shareholding of Directors / Key Managerial Personnel

i) AshokkumarThakker:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2018		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, 2018.	5594995	73.58	5594995	73.58
	-	-	-	-
At the end of the year as at March 31, 2019.	5594995	45.951	5594995	45.951

ii) DharmishthaebenThakker:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2018		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, 2018	5000	0.060	5000	0.060

	-	-	-	-
At the end of the year as at March 31, 2019	5000	0.041	5000	0.041

iii) Krunal Kiritkumar Mistry:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2018		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, 2018	6000	0.08	6000	0.08
At the end of the year as at March 31, 2019	6000	0.05	6000	0.05

iv) Piyushkumar C. Thakkar

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year as on April 01, 2018		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, 2018	1	0.00	1	0.00
At the end of the year as at March 31, 2019	1	0.00	1	0.00

V. INDEBTEDNESS

(INR in Lakhs)

Particulars	Secured Loan	Unsecured Loan	Deposits	Total
Indebtedness at the beginning of the period	4362.38	787.06	-	5149.44

Change in indebtedness during the year	(2671.98)	(137.44)	-	(2809.42)
Indebtedness at the end of the year.	1690.40	649.62	-	2340.02

VI. REMUNERATION

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

Sr. No	Particulars of Remuneration	Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Ashokkumar Raghuram Thakker	12,00,0000/-

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	Piyushkumar C. Thakkar	8,40,000
	(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 (Gross)
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Mr. Kirtar Munshi CFO	18,00,000
		Ms. Ziral Soni Company Secretary	1,20,000

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 MARCH 31, 2019

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

To,

The Members,

ART NIRMAN LIMITED

CIN: L45200GJ2011PLC064107

410, JBR Arcade, Science City Road, Sola, Ahmedabad, Gujarat - 380060 India.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ART NIRMAN LIMITED**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2019**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2019** according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;
- (f) Rules, Regulations, Circulars, Orders, Notifications and Directives issued under the above statute to the extent applicable.

The following other laws 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 Secretarial Standards issued by The Institute of Company Secretaries of India.

During the year under review, the Company has **COMPLIED** with all the material aspects of the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above subject to the **observations** made in this report;

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.

Decisions at the meetings of Board of Directors / Committees of the Company were carried through on the basis of majority. We were informed that there were no dissenting views by any members of Board / Committee in the meetings held during the year under review that were required to be captured and recorded as part of minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines subject to the following observations / qualifications, reservations or adverse remarks.

*The specific **observations / qualification, reservation or adverse remarks** in respect of the Board Structures/ system / processes and compliances of the provisions of the Companies Act, 2013 as well as other laws, Rules, Regulations, Guidelines, Standards, Listing Agreement, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. as mentioned above, in respect of the Audit period are as follows;*

Remarks:

- 1. The Company has not filed Investor Grievance Report, Certificate under Regulation 7 and 40(10) of SEBI (LODR) Regulations, 2015 for the quarter ended 31.03.2018.***

Observations:

- 1. The Company has submitted Reconciliation of Share Capital Audit Report with delay of 1 day for quarter ended on March, 2018.*
- 2. The Company has submitted Investor Grievance Report with delay of 8 days for the Quarter ended June, 2018.*
- 3. The Company has submitted Investor Grievance Report with delay of 4 days for the Quarter ended September, 2018.*
- 4. The Company has filled Following e-forms with Registrar of Companies after due date along with additional fees-*

Sr. No.	Particulars	Due Date	Actual Date of filing form
1.	Form MGT-7 – Annual Return filed for financial year 2017-18.	28.11.2018	17.01.2019
2.	Form DIR-12 filed for regularization of Mr. Hemang Shah as Independent Director of the Company.	28.10.2018	01.11.2018
3.	Form MGT-15 filed for Report on Annual General Meeting held on 29.09.2018.	28.10.2018	06.11.2018
4.	Form MGT-14 filed to Special Resolution passed for increase in authorized share capital of the Company.	28.06.2018	29.06.2018

We further report that during the audit period, there were following instances of:

- The members of the Company at their Extraordinary General Meeting held on 30.05.2018 approved increase in the Authorized Share Capital of the Company from existing Rs. 8,00,00,000/- divided into 80,00,000 equity shares of Rs. 10/- each to Rs. 25,00,00,000/- divided into 2,50,00,000 equity shares of Rs. 10/- each.
- The members of the Company at their Extraordinary General Meeting held on 30.05.2018 approved issue and allotment upto 26,10,000 Convertible Warrants to Promoter Category in cash with a right to apply for and get allotted one Equity share of face value of Rs. 10/- each for each warrant after a period of 18 months from the date of allotment of warrant.
- The members of the Company at their Extraordinary General Meeting held on 30.05.2018 approved issue and allotment upto 1,01,70,000 Convertible Warrants to Mr. AshokkumarRaghuram Thakkar, Promoter for consideration in cash and partly for consideration other than cash with a right to apply for and get allotted one Equity share of face value of Rs. 10/- each for each warrant after a period of 18 months from the date of allotment of warrants at Rs. 16/- per warrant aggregating to Rs. 16,27,20,000/-.

- d. The Board of Directors of the Company at their Meeting held on 01.09.2018 allotted 45,72,000 equity shares of Rs. 10/- each fully paid up for cash at a issue price of Rs. 16/- per share aggregating to Rs. 7,31,52,000/-to Non-promoter Category.

There were no other instances of:

- a) Public issue / Right issue of Shares / Debentures / Sweat Equity etc.
- b) Redemption / Buy – Back of Securities.
- c) Merger / amalgamation / Reconstruction etc.
- d) Foreign Technical Collaboration.

**FOR YASH MEHTA& ASSOCIATES
COMPANY SECRETARIES**

Date : 17.08.2019
Place : Ahmedabad

**YASH MEHTA
PROPRIETOR
ACS : 45267
COP : 16535**

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.

“ANNEXURE A”

To,
The Members,
ART NIRMAN LIMITED
CIN: L45200GJ2011PLC064107

410, JBR Arcade, Science City Road, Sola, Ahmedabad, Gujarat - 380060 India.

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

1. Maintenance of Secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of 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 follow provide a responsible 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 provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of 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.

FOR YASH MEHTA & ASSOCIATES
COMPANY SECRETARIES

Date : 17.08.2019
Place : Ahmedabad

YASH MEHTA
PROPRIETOR
ACS : 45267
COP : 16535

**Annexure D
to the Director's Report**

[Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- I) 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 2018 19
		Sub Clause (i) of Rule 5(1)	Sub Clause (ii) of Rule 5(1)
1	AshokkumarRaghuramThakker Managing Director *	4.88:1	Not Applicable
2	DharmisthabenAshookumar Thakkar Director **	NIL	NIL
3	PiyushkumarChandrakantbhai Thakkar	3.41:1	Not Applicable
3	KirtarSatubhaiMunshi Chief Financial officer		100%
4	ZiralPankajkumarSoni Company Secretary***		No Increase

* Mr. AshokkumarRaghuramThakker, Managing Director of the Company was not paid any remuneration during the FY 2017 18. Hence comparison of 2017-18 and 2018-19 for increase in remuneration is not possible.

** Ms. DharmishthaAshokkumar Thakkar, Director of the company was not paid any remuneration during the FY 2017 18. Hence no disclosure is required w. r. t. increase in remuneration of the Company.

*** ZiralPankajkumarSoni resigned from the post of company secretary w. e. f. 10th April,2019.

- II) Sub Clause (iii) of Rule 5(1): The median remuneration of employee in the financial year 2018-19 was INR 2,46,000/- (INR 2,28,000/- in financial year 2017-18). There was no increase/ decrease in median remuneration of employee. Median of last year and current year is different because of increase in the numbers of employee in 2018-19.
- III) Sub Clause (iv) of Rule 5(1): There are 43 employees on the pay roll of the Company other than Directors on the Board of Company.

- IV) Sub Clause (viii) of Rule 5(1): During the FY 2018 19, average salary of the Company has been increased by 41.62%. Whereas increase in the remuneration of KMP is 100% compare to last year.
- V) Sub Clause (xii) of Rule 5(1): it is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.
- VI) 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 and Designation	Remuneration paid during the year (INR in Lakhs)	Shareholding in the Company	Relation with Director/ KMP
1	KirtarMunshi Chief Financial Officer	18.00	NIL	No
2	Gopal Jaiswal Sr. site Engineer	8.52	NIL	No
3	Shiv Narayan Rajendra Sr. MEP Engineer	8.40	NIL	No
4	Umang G. Suthar Project Head	8.04	NIL	No
5	Upendra Sharma Sr. Site Engineer	7.08	NIL	No
6	Ankit Baviskar Sr. Site Engineer	6.12	NIL	No
7	ShilpabenM. Thakkar Sales Manager	4.80	NIL	No
8	Pritiben C. Thakkar Sales Manager	4.80	NIL	No
9	Chetan Modi Accountant	3.60	NIL	No
10	Sunil Chaturvedi Accountant	3.60	NIL	No

Annexure E

Management Discussion And Analysis

ECONOMY OVERVIEW:

During the Financial Year 2018-19, India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is 6.8 per cent in 2018-19 and is expected to grow 7.3 per cent in 2019-20.

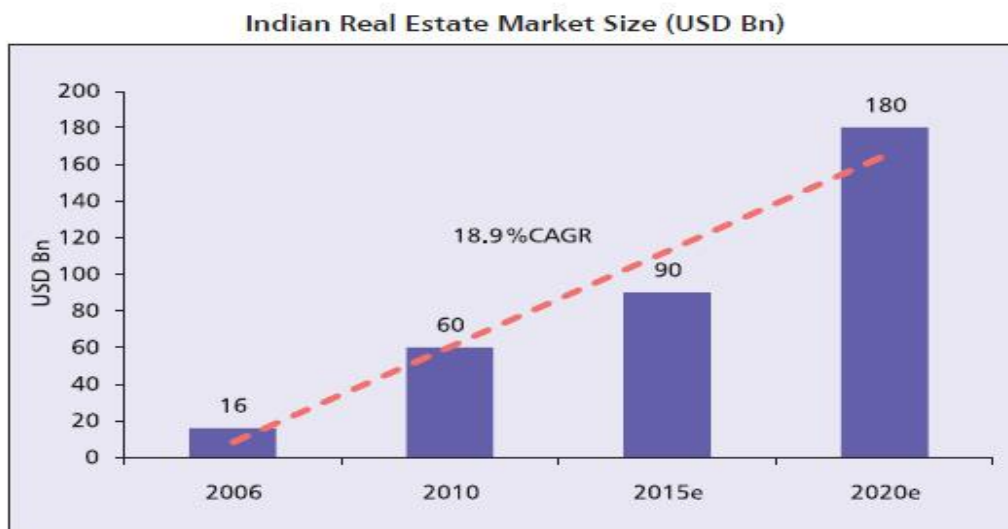
However After three years of over 7% growth, the Indian economy slowed down slightly in 2018-19 recording 6.4% growth in real gross value added (GVA). Despite this slowdown, the economy continues to remain one of the fastest growing among major global economies.

As per the World Bank Report although short-term disruptions from demonetization and depressed food prices may have moderated the pace but overall Economic activity is expected to stabilize, maintaining annual GDP growth at 7.0% in FY19. Growth is projected to increase to 7.4% by FY20, underpinned by a recovery in private investments prompted by a recent increase in public capex and an improvement in the investment climate (partly due to passage of the GST and the Bankruptcy Code, and measures to attract FDI).

INDUSTRY STRUCTURE:

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

- Residential segment contribute around 80% of the real estate sector.
- New housing launches across top seven cities in India increased 50 per cent quarter-on-quarter in April-June 2018.
- In the period FY08-20, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent.
- Real Estate contribution to India's GDP is estimated to increase about 70% by 2020.
- Real estate sector in India is expected to reach a market size of USD 180 billion by 2020. Housing sector is expected to contribute around 11 per cent to India's GDP by 2020.



- With the government initiatives to re-build the trust in the consumers by regulating the real estate sector with the Real Estate (Regulation & Development) Act, it will be a great time for the Company, which has the execution capabilities and track record of delivery.
- Till 2016 the new residential projects were lower than the products sold. With the implementation of RERA act, there will be a new level of transparency and accountability on the part of developers and is thus expected that there will be an increase in the investment from public buyers in the real estate sector. Also with the introduction of GST and Benami Property Act, the government has forced the businessmen to revamp up if they want to remain in the race. Apart from that, there is the Smart city Project which has planned to build 100 smart cities which are a big opportunity for the real estate sector. Then the government of Delhi has ordered 89 villages as urban areas, thus enabling easier operation on land policies and building of affordable houses.
- Also The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:
 - a) In February 2018, creation of National Urban Housing Fund was approved with an outlay of Rs 60,000 crore (USD 9.27 billion).
 - b) Under the Pradhan Mantri Awas Yojana (PMAY) Urban 1,427,486 houses have been sanctioned in 2017-18. In March 2018, construction of additional 3,21,567 affordable houses was sanctioned under the scheme.

OPPORTUNITY AND THREATS:

➤ Opportunity:

- a) Construction is the fourth largest sector in terms of FDI inflows. FDI in the sector stood at USD 24.83 billion from April 2000 to March 2018.
- b) Government of India's Housing for All initiative is expected to bring USD 1.3 trillion investments in the housing sector by 2025. The Government of India has allowed 100% FDI for township and settlement development projects and also in single-brand retail trading and construction development without any government approvals.
- c) As per Union Budget 2018-19, increase of budgetary allocation on infrastructure for 2018-19 to Rs.5.97 lakh crore against estimated expenditure of Rs.4.94 lakh crore in 2017-18.
- d) During 2016, India secured 3rd 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.
- e) Metro Cities have driving demand for Commercial Space.
- f) Growth in Tourism, Urbanization, Hospitality, Education, easy financing etc provides and is likely to provide tremendous opportunities in the years to come.

➤ **Threats:**

In the course of its business the Company is exposed to stiff competition from other developers in the market. In addition, it is exposed to certain market related risks, such as increase in interest rates and foreign currency rates, customer risks and changes in the government policies.

SEGMENT / PRODUCT WISE PERFORMANCE:

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

- Company has already completed 90% construction work of “Shree Vishnudhara Gardens” near Gota at Ahmedabad. The plan of the scheme consists of 350 Residential Flats and 117 Commercial Shops. Company expects to complete the construction of the Scheme in early months of F.Y. 2019-20. The company has got good bookings for the project. However the revenue is expected to be booked in current fiscal in view of the revenue recognition policy being followed by the company as per AS-9.
- Company has also got works contract from Art Club Private Limited for Club Babylon, by this contract company will enter in new division of construction segment apart from houses and shops. However the club is not owned by the company but experience of club construction will provide immense future opportunity for the company and also will add noted recognition to the company in industry.
- The company will in FY 2019-20 also planning to launch new residential/commercial project.

OUTLOOK:

➤ **Residential Real Estate:**

- a) Fragmented market with few large players.
- b) Demand of over 3 million units in the seven major cities.
- c) Demand for premium products to continue, albeit at a slower pace.
- d) Demand for Ultra Low Cost (ULC) Housing ‘Housing for all’ to enhance at very high growth rate.

➤ **Commercial Real Estate:**

- a) Few players with presence across India.
- b) Operating model shifting from sales to lease and maintenance.
- c) Rentals have started appreciating during the current FY.
- d) IT/ITES and BFSI would continue to account for 60-70% of office demand.

➤ **Retail Real Estate:**

- a) Fragmented market with few large players.
- b) More collaborative models such as revenue sharing to emerge in the sector.
- c) Demand for retail spaces on high streets increasing.
- d) With FDI in retail more international retailers to venture into India, which would result high demand and increased rentals in retail real estate.
- e) Retailers would continue to expand beyond Tier I into Tier II and III cities and large number of malls slated to become operational.

➤ **Hospitality Real Estate:**

- a) A competitive market with major players.
- b) NCR and Mumbai by far the biggest hospitality markets in India due to economic growth and business meets.
- c) Government initiative to promote tourism in Tier 2 and Tier 3 cities generating demands.

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 3498.24 lakhs and achieved Net Profit After Tax (NP) of INR 112.04 Lakhs. The aggregate revenue of the Company increased marginally by 34.72% compared to PY 2016 17. However the Profit after Tax of the Company increased by 206.94% which is another pride milestone for our Company.

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.

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 subject to notes forming integral part of financial statement.

DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS. ALONG WITH DETAILED EXPLANATIONS THEREFOR, INCLUDING:

Particular	FY ended on 2019	FY ended on 2018	changes between current & past FY	Explanation if changes more than 25 %

Debtors /Turnover	1.29	0.55	134.29	In view of the Rev. Recognition policy being followed by the company, Revenue is booked only upon execution of conveyance deed.
Inventory /Turnover	5.96	2.02	194.57	In view of the Rev. Recognition policy being followed by the company, Revenue is booked only upon execution of conveyance deed.
Interest Coverage Ratio(EBIT/Int. Exp.)	1.23	1.29	-4.41	In view of the operational efficiencies and company managing finances from customer advances
Current Ratio(Current Assets/current Liability)	1.53	2.51	-38.98	The said reduction is in view of the fact that company has deployed the booking advance for development of the project
Debt Equity Ratio(Total Liab/Total equity)	3.54	5.90	-39.95	It is in view of the fact that there was fund infusion in the form of pref allotment and share warrant
Operating Profit Margin (%) (Operating Profit(EBIT)/Sales)	52.07	20.70	151.59	In view of the operational efficiencies and revenue booked only upon execution of conveyance deed
Net Profit Margin (%) (net profit/sales)	6.97	3.25	114.76	In view of the operational efficiencies and revenue booked only upon execution of conveyance deed

ONGOING PROJECTS

“Shree Vishnudhara Gardens”



“Club Babylon”



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ART NIRMAN LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **ART NIRMAN LIMITED**. (“the company”), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 March 31, 2019, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal

financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian 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 of the company as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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 operating effectiveness of such controls, refer to our separate Report in “Annexure – B”.
- 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does have pending litigation relating to the Service Tax Liability pursuant to the raid by DG(Intelligence) of GST and the investigation has not yet been concluded. The impact on financial position of the company shall be determined on finality of the investigation.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR ARPAN SHAH & ASSOCIATES
Chartered Accountants
FRN : 125049W

CA Arpan shah
Proprietor
M. No:116736

Ahmedabad, May 30, 2019

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on other Legal & Regulatory Requirement' section of our report to the Members of Art Nirman Limited of even date)

- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Pursuant to the program, certain fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanation given to us, the records examined by us and based on the examination of the documents provided to us, we report that, the title deeds, comprising all the immovable properties of land & buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- ii.
 - (a) The management has conducted the physical verification of inventory at reasonable intervals during the year.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records, which has been properly dealt with in the books of account, were not material.
- iii. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 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 In respect of grant of loans, making investments and providing guarantees and security, as applicable.
- 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. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The company has generally been regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities in India except GST which has been complied with delays.

- (b) There were no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- (c) There were no dues of Income Tax, Service Tax, Good and Service Tax and Customs Duty which have not been deposited as at March 31, 2019 on account of any dispute.
- viii. The company has not defaulted in repayment of dues to financial institution/bank/government and has not issued any debentures.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has utilized the money raised by way of initial public offer/further public offer, including debt instruments, and term Loans during the year have been applied to the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and information and explanations given by the management, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- xii. The Company is not a Nidhi Company and therefore reporting under clause 3(xii) of the order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 & 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. During the year, the Company has made preferential allotment / private placement of equity share. In our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

FOR ARPAN SHAH & ASSOCIATES
Chartered Accountants
Firm's Registration No.: 125049W

CA Arpan shah
Proprietor
Membership No.: 116736

Ahmedabad, May 30, 2019

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ART NIRMAN LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective 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 internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

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

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, to the best of our information and according to the explanations given to us, 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR ARPAN SHAH & ASSOCIATES
Chartered Accountants
Firm's Registration No.: 125049W

CA Arpan shah
Proprietor
Membership No.: 116736

Ahmedabad, May 30, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

(Rs. In Lakh)

	Particulars	Notes	As at 31/03/2019	As at 31/03/2018
A	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	2	1217.60	760.40
	(b) Reserves and Surplus	3	1153.90	739.71
	(c) Money received against share warrants	4	511.20	0.00
	Total Equity (1)		2882.70	1500.11
2	Liabilities			
	Non-Current Liabilities			
	(a) Long-term borrowings	5	2330.25	4946.77
	(b) Deferred tax liabilities (Net)	6	25.09	19.35
	(c) Other Long term liabilities	7	740.12	721.62
	Total Non-Current Liabilities (2)		3095.46	5687.74
3	Current Liabilities			
	(a) Short-term borrowings	8	9.78	202.67
	(b) Trade payables	9	1373.86	913.93
	(c) Other current liabilities	10	8035.74	2742.91
	(d) Short-term provisions	11	46.82	38.85
	Total Current Liabilities (3)		9466.19	3898.36
	TOTAL EQUITY AND LIABILITIES (1+2+3)		15444.35	11086.21
B	Assets			
4	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	12	860.48	909.95
	(ii) Intangible assets		1.20	6.11
	(b) Non-current investments	13	30.00	0.00
	(c) Long term loans and advances	14	36.39	373.75
	Total Non-Current Assets (4)		928.07	1289.81
5	Current assets			
	(a) Inventories	15	11253.12	6977.62
	(b) Trade receivables	16	2434.57	1897.98
	(c) Cash and cash equivalents	17	214.60	171.39
	(d) Short-term loans and advances	18	306.35	435.67
	(e) Other current assets	19	307.63	313.75
	Total Current Assets (5)		14516.28	9796.40
	TOTAL ASSETS (4+5)		15444.35	11086.21
	<i>The accompanying notes forming an integral part of the financial statements</i>	1		

For, Arpan Shah & Associates
Chartered Accountants
FRN No: 125049W

CA Arpan Shah
Proprietor
Membership No: 116736
PLACE: AHMEDABAD
Date: 30.05.2019

For and on behalf of the Board of ART
NIRMAN LIMITED

Ashokkumar Thakker Piyushkumar Thakkar
Managing Director Director
(DIN: 0002842849) (DIN: 0007555460)

Kirtar Munshi
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(Rs. In Lakh except Per Share Data)

Particulars		Notes	For the year ended 31st March, 2019	For the year ended 31st March, 2018
1	Revenue from Operations	20	1889.34	3450.89
2	Other Income	21	62.02	47.35
3	Total Revenue(1+2)		1951.36	3498.24
4	Expenses			
	Cost of Material Consumed	22	2700.52	3357.52
	Changes in Inventories	23	(4275.50)	(2481.98)
	Depreciation and Amortization Expense	12	76.04	81.77
	Employee Benefits Expense	24	174.91	108.47
	Finance Costs	25	798.56	554.16
	Other Expenses	26	2291.63	1718.27
	Total Expenses		1766.16	3338.21
5	Profit / (Loss) Before Tax (3 - 4)		185.20	160.03
6	Tax Expense:			
	(1) Current tax			
	- For the Current Year		46.82	38.85
	- For earlier years		0.90	1.55
	(2) Deferred tax liabilities / (asset)		5.74	7.60
	Total Tax Expense		53.46	47.99
7	Net Profit / (Loss) for the period (5-6)		131.74	112.04
8	Earning Per Share(of Rs 10/- each)			
	(1) Basic		1.28	1.47
	(2) Diluted		0.74	1.47
	<i>The accompanying notes forming an integral part of the financial statements</i>	1		

For, Arpan Shah & Associates
Chartered Accountants
FRN No: 125049W

CA Arpan Shah
Proprietor
Membership No: 116736

PLACE: AHMEDABAD
Date: 30.05.2019

**For and on behalf of the Board of ART
NIRMAN LIMITED**

Ashokkumar Thakker
Managing Director
(DIN: 0002842849)

Piyushkumar Thakkar
Director
(DIN: 0007555460)

Kirtar Munshi
Chief Financial Officer

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

(Rs. In Lakh)

Particulars	For The Year Ended 31st March, 2019	For The Year Ended 31st March, 2018
A. Cash Flow from Operating Activities		
Net Profit Before Tax as per Statement of Profit and Loss	185.20	160.03
Adjusted for:		
Depreciation and Amortisation Expenses	76.04	81.77
Finance Costs	798.56	554.16
Interest Income	(32.03)	(29.96)
Rent Income	(27.00)	(24.00)
Other Income	(29.86)	(17.37)
Operating Profit Before Working Capital Changes	970.91	724.63
Adjusted For:		
Trade & Other Receivables	(94.28)	(1447.15)
Inventories	(4275.50)	(2481.98)
Trade & Other Payables	5791.06	1865.26
Cash Generated from Operations	2392.20	(1339.24)
Direct Tax (paid)/ refund	(47.72)	(40.40)
Net Cash from/ (Used in) Operating Activities	2344.48	(1379.64)
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(13.53)	(26.20)
Interest Income	32.03	29.96
Rent Income	27.00	24.00
Net Cash Flow from/ (Used in) Investing Activities	45.49	27.76
C. Cash Flow from Financing Activities		
Proceeds/(Repayment) of Borrowings	(2790.91)	1831.00
Issue of Shares (incl. share premium)	731.52	0.00
Finance Costs	(798.56)	(554.16)
money received against Share Warrants	511.20	0.00
Net Cash Flow from/ (Used in) Financing Activities	(2346.75)	1276.85
Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C)	43.22	(75.03)
Cash & Cash Equivalents at the beginning of the Year	171.39	246.42
Cash & Cash Equivalents as at the end of the Year (D+E)	214.60	171.39

For, Arpan Shah & Associates
Chartered Accountants
FRN No: 125049W

CA Arpan Shah
Proprietor
Membership No: 116736

PLACE: AHMEDABAD
Date: 30.05.2019

For and on behalf of the Board of ART
NIRMAN LIMITED

Ashokkumar Thakker Managing Director (DIN: 0002842849)	Piyushkumar Thakkar Director (DIN: 0007555460)
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Kirtar Munshi
Chief Financial Officer

Note No. 1

1. Corporate Information:

ART NIRMAN LIMITED (“the Company”) having CIN: L45200GJ2011PLC064107 was incorporated on February 19, 2011 as a Private Limited company under the Companies Act, 1956, with Registrar of Companies, Ahmedabad. The Company was later on converted into a Public Company w.e.f. September 2, 2016 and has its registered office at 410, JBR Arcade, Science City Road, Sola Ahmedabad Ahmedabad 380060, Gujarat, India . The Company’s equity shares are listed on The National Stock Exchange of India Limited (NSE) Emerge Platform. The Company is engaged in the business of real estate development and allied activities.

Notes forming an integral part of the financial statements

(Rs. In Lakh except Shares related data)

2 Share Capital

Particulars	As at March 31, 2019 No of Shares	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 No of Shares	As at March 31, 2018 Amount in Rs.
(a) Authorised				
Ordinary Equity Shares of Rs. 10/- Each	25000000	2500.00	8000000	800.00
(b) Issued, Subscribed & Paid Up				
Ordinary Equity Shares of Rs. 10/- Each	12176000	1217.60	7604000	760.40
Total	12176000	1217.60	7604000	760.40

(a) Reconciliation of number of ordinary shares outstanding

Particulars	As at March 31, 2019 No of Shares	As at March 31, 2019 Amount in Rs.	As at March 31, 2018 No of Shares	As at March 31, 2018 Amount in Rs.
Shares Outstanding at the beginning of the period	7604000	760.40	7604000	760.40
Add : Shares issued during the year	4572000	457.20	-	-
Shares Outstanding at the end of the year	12176000	1217.6	7604000	760.40

(b) Terms / rights attached to equity shares :

- The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share
- The final dividend declared, if any, is subject to the approval of the members in the Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

(c) Shareholders holding more than 5% of the Ordinary Shares in the Company

Particulars	As at March 31, 2019 No of Shares	As at March 31, 2019 % of holding	As at March 31, 2018 No of Shares	As at March 31, 2018 % of holding
Ashokkumar R Thakker	5594995	45.95%	5594995	73.58%
Ajaykumar Jamnalal Pujara	918000	7.54%	18000	0.24%
Desai Amratbhai Shakkarbhai	432000	3.55%	420000	5.52%

Notes forming an integral part of the financial statements

(Rs. In Lakh)

3 Reserves & Surplus

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Securities Premium		
Balance as at the beginning of the year	540.60	540.60
Addition during the year	274.32	-
	814.92	540.60
Surplus		
Balance as at the beginning of the year	199.11	87.07
Profit for the year	131.74	112.04
Other Reasons(Please refer Note below the Schedule 12)	8.13	-
	338.98	199.11
	1153.90	739.71

4 Money received against share warrants

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Money received against share warrants	511.20	-
	511.20	-

Note:

1,27,80,000 Convertible Warrants of Rs. 16/- Each convertible into equivalent no of Equity Shares for consideration in cash/other than cash, on upfront payment of 25% of the amount, allotted on preferential basis in Board Meeting dated 01.09.2018 after approval of shareholders in EGM held on 30.05.2018

5 Long Term Borrowings

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Secured Loans		
<u>Rupee Term Loan</u>		
From Banks	-	3698.07
From NBFCs	1690.40	664.31
Unsecured Loans		
From Directors	639.85	584.39
	2330.25	4946.77

Note:

Notes forming an integral part of the financial statements

(Rs. In Lakh)

The Term Loans in INR are secured against the immovable properteies being plot of land and supter structure thereon belonging to the Company/Promoters and also secured by the PG of promoters. The RoI ranges from 13-14% p.a. The project loan outstanding comprised herein is of Rs. 10.27 Crores is repayable in remaining 24 months. The other loan against property outstanding of Rs. 6.63 Crores is repayable in remaining 105 EMIs. The RoI for both loans ranges from 13-14% p.a.

6 Deferred Tax Liabilities

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Deferred Tax Liabilities	25.09	19.35
Tax impact due to Timing difference of depreciation on PPE		
	25.09	19.35

7 Other Non-Current Liability

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Maintainence Deposits from Customers	93.95	75.45
Security Deposit		
From Related Party	646.17	646.17
	740.12	721.62

8 Short Term Borrowings

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Unsecured		
Loan Repayable on Demand		
Other Body Corporates	9.78	202.67
	9.78	202.67

9 Trade Payables

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Micro Small and Medium Enterprise	36.65	27.90
Others	1337.20	886.03
	1373.86	913.93

Note:

The amount due to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises as at March 31, 2019 are as under

Notes forming an integral part of the financial statements

(Rs. In Lakh)

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
i) The principal amount remaining unpaid to supplier as at the end of the year	36.65	27.90
ii) The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
iii) The amount of interest paid in terms of section 16 along with the amount of payment made to supplier beyond the appointment day during the year 2010-11	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
v) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

10 Other Current Liabilities

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Current Maturities of Long Term Debt	2673.70	1068.04
Interest Accrued But Not Due	41.40	8.66
Other Payables		
Booking Advances from Members	5239.50	1606.55
Statutory Dues Payable	65.26	52.00
Retention Money	5.72	3.61
Others	10.16	4.05
	8035.74	2742.91

11 Short Term Provision

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Provision for taxation	46.82	38.85
	46.82	38.85

13 Non Current Investment

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
FD Investments	30.00	-
	30.00	-

Notes forming an integral part of the financial statements

(Rs. In Lakh)

14 Long Term Loans And Advances

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Unsecured - Considered Good		
Capital Advances	-	-
Loans and Advances	16.28	363.16
Security deposits	20.11	10.59
	36.39	373.75

15 Inventories

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Finished Goods	30.18	61.61
Construction Work-in-Progress	11222.94	6916.00
	11253.12	6977.62

16 Trade Receivables

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Unsecured-Considered Good		
More than six months	326.69	205.58
Others	2107.88	1692.40
	2434.57	1897.98

17 Cash & Cash Equivalents

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Cash in hand	3.01	4.26
Balance with banks		
in Current Account	165.36	143.12
in FD Account	46.23	24.00
	214.60	171.39

18 Short Term Loans & Advances

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Unsecured, considered good		
Advance given to Related parties	51.35	30.50

Notes forming an integral part of the financial statements

(Rs. In Lakh)

Advance given to vendors	255.00	405.17
	306.35	435.67

19 Other Current Assets

Particulars	AS AT 31/03/2019	AS AT 31/03/2018
Balances with government authorities	243.93	261.55
Others		
Prepaid Expenses	4.34	8.82
Other Receivables	59.35	43.38
	307.63	313.75

Notes forming an integral part of the financial statements

20 Revenue From Operations

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Sale of Real Estate Developments	45.20	141.00
Sale of Service	1817.14	3285.89
	1862.34	3426.89
Other Operating Revenues		
Rent Income	27.00	24.00
	27.00	24.00
	1889.34	3450.89

21 Other Income

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Interest Received	32.03	29.96
Sundry Balances Written off	29.86	17.37
Miscellaneous Income	0.14	0.01
	62.02	47.35

22 Cost of Material Consumed

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Inventories at the beginning of the year	-	-
Add: Purchases	2700.52	3357.52
Less: Inventories at the end of the year	-	-
Cost of Materials Consumed	2700.52	3357.52

23 Changes In Construction Work In Progress

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Inventories at the beginning of the year		
Finished Goods	61.61	211.44
Construction Work-in-Progress	6916.00	4284.20
	6977.62	4495.64
Inventories at the end of the year		
Finished Goods	30.18	61.61
Construction Work-in-Progress	11222.94	6916.00
	11253.12	6977.62
	(4275.50)	(2481.98)

24 Employee Benefit Expenses

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Salaries, Bonus and Allowances	166.12	102.35
Contribution to Provident and Other Funds	2.80	2.33
Staff Welfare expenses	5.99	3.78
	174.91	108.47

Notes forming an integral part of the financial statements

25 Finance Cost

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Interest Expense	792.32	510.26
Other Borrowing Cost	6.23	43.90
	798.56	554.16

26 Other Expenses

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
Advertising and marketing expenses	25.82	63.90
Brokerage expense	79.75	82.59
Legal expenses	149.81	150.49
Site related expenses	97.43	98.79
Professional Fees	154.80	246.37
Conveyance and travelling expenses	19.02	189.58
Statutory Payments and Compliance related expenses	34.27	46.19
Books and Yearicals expenses	4.48	8.14
Communication expenses	1.58	1.62
Payment to the Auditor(refer note 26a)	3.00	4.50
Office expenses	0.86	3.35
Donation expenses	0.17	10.00
Insurance expenses	10.79	3.92
Repair & Maintenance expenses	1.05	21.47
Prior Year expenses	0.18	4.62
Rent expenses	15.20	8.08
Labour expenses	1683.88	766.69
Security expenses	9.13	7.43
Miscellaneous. expenses	0.42	0.56
	2291.63	1718.27

26

A Payment to the auditor

Particulars	For The Year Ended on March 31, 2019	For The Year Ended on March 31, 2018
(a) as auditor		
Statutory Audit Fees	1.50	2.30
Internal Audit Fees	1.00	1.00
(b) For Taxation Matters		
Tax Audit Fees	0.50	1.20
	3.00	4.50

Notes forming an integral part of the financial statements

12 Fixed Assets

Particulars	GROSS BLOCK				DEPRECIATION FUND					NET BLOCK OF ASSET AS ON 31/03/20 19	NET BLOCK OF ASSET AS ON 31/03/20 18
	OPENING BLOCK	ADDITION	DISPOSALS	CLOSING BLOCK	OPENING BALANCE	ADDITIO N	ADJUST MENT*	SALES	CLOSING BALANCE		
TANGIBLE ASSETS											
Buildings	457.04	-	-	457.04	22.70	14.47	(1.01)	-	36.16	420.88	434.34
Plant & Machinery	207.94	-	-	207.94	29.27	15.01	(1.42)	-	42.86	165.08	178.67
Furniture & Fixture	170.17	0.10	-	170.27	36.93	19.85	(4.61)	-	52.17	118.10	133.24
Electrical Installations & Equipments	141.83	-	-	141.83	19.35	13.47	(0.97)	-	31.86	109.97	122.48
Office Equipments	40.01	12.79	-	52.80	22.93	7.91	(3.89)	-	26.95	25.85	17.08
Vehicles	28.11	0.65	-	28.75	3.97	3.36	0.82	-	8.15	20.60	24.13
	1045.10	13.53	-	1058.63	135.14	74.08	(11.07)	-	198.15	860.48	909.95
INTANGIBLE ASSETS											
Software	10.66	-	-	10.66	4.55	1.97	2.94	-	9.45	1.20	6.11
TOTAL	1055.76	13.53	-	1069.29	139.69	76.04	(8.13)	-	207.61	861.68	916.06
Previous Year	1029.56	26.20	-	1055.76	57.92	81.77	-	-	139.69	916.06	971.64

*Note: This adjustment is due to excess/(short) depreciation charged till March 31, 2018 and the same has been directly appropriated to reserve & surplus without routing it to the P & L account

Particulars	GROSS BLOCK				DEPRECIATION FUND					NET BLOCK OF ASSET AS ON	NET BLOCK OF ASSET AS ON
	OPENING BLOCK	ADDITION	DISPOSALS	CLOSING BLOCK	OPENING BALANCE	ADDITIO N	ADJUST MENT*	SALES	CLOSING BALANCE		
TANGIBLE ASSETS											
Company (Head Office)											
Furniture	17.45	0.10	-	17.55	11.08	1.71	(3.32)		9.48	8.07	6.37
Plant & Machinery	164.23	-	-	164.23	25.45	12.24	(1.23)		36.46	127.77	138.78
Vehicle	28.11	0.65	-	28.75	3.97	3.36	0.82		8.15	20.60	24.13
Electric Equipment	32.08	-	-	32.08	4.56	3.05	(0.23)		7.38	24.70	27.52
Office Equipment	9.27	5.63	-	14.91	2.10	1.92	(0.11)		3.92	10.99	7.17
Air Conditioner	11.51	4.98	-	16.49	6.97	1.82	(1.16)		7.63	8.86	4.53
Computer	19.23	2.17	-	21.40	13.85	4.17	(2.62)		15.40	6.00	5.38
TOTAL (A)	281.88	13.53	-	295.41	67.99	28.27	(7.84)	-	88.42	206.99	213.89
First Club											
Building	457.04	-	-	457.04	22.70	14.47	(1.01)		36.16	420.88	434.34
Furniture	152.72	-	-	152.72	25.85	18.14	(1.29)		42.69	110.03	126.87
Plant & Machinery	43.71	-	-	43.71	3.82	2.77	(0.19)		6.40	37.31	39.89
Electric Equipment	109.75	-	-	109.75	14.79	10.43	(0.74)		24.48	85.27	94.96
TOTAL (B)	763.22	-	-	763.22	67.16	45.80	(3.23)	-	109.73	653.49	696.07
INTANGIBLE ASSETS											
Software	10.66	-	-	10.66	4.55	1.97	2.94		9.45	1.20	6.11
TOTAL (C)	10.66	-	-	10.66	4.55	1.97	2.94	-	9.45	1.20	6.11
TOTAL (A+B+C)	1,055.76	13.53	-	1,069.29	139.69	76.04	(8.13)	-	207.61	861.68	916.06
PREVIOUS YEAR	1,029.56	26.20	-	1,055.76	57.92	81.77	-	-	139.69	916.06	971.64

*Note: This adjustment is due to excess/(short) depreciation charged till March 31, 2018 and the same has been directly appropriated to reserve & surplus without routing it to the P & L account

27. Significant Accounting Policies:

1. *Basis of Preparation of Financial Statements:*

The Financial Statements of the Company have been prepared and presented under the historical cost convention and on the accrual basis in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises Accounting Standards notified by the Central Government of India under section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India.

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest INR Lakh, except when otherwise indicated.

2. *Use of Estimates and judgements:*

The preparation of the financial statements is in conformity with Generally Accepted Accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Actual results may differ from those estimates. Difference between the actual results and the estimates are recognised in the year in which the results become known/materialise.

3. *Property, plant and equipment and depreciation and amortisation:*

(i) Recognition and initial measurement

Property, plant and equipments are stated at cost less accumulated depreciation / amortization and impairment losses, if any.

Cost comprises the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. The cost also includes direct cost and other relate incidental expenses. Revenue earned, if any, during trial run of assets is adjusted against cost of the assets. Cost also includes the cost of replacing part of the plant and equipments.

When significant components of property and equipments are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation, if these components are initially recognised as separate asset. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Borrowing costs relating to acquisition / construction / development of tangible assets, which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(ii) Subsequent measurement (depreciation and useful lives)

Depreciation is provided from the date the assets are put to use, on straight line basis as per the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

(iii) De-recognition

PPE are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of de-recognition.

4. Intangible assets

(i) Recognition and initial measurement

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

(ii) Subsequent measurement (Amortisation)

All intangible assets with its useful life are amortised on a straight line basis over the estimated useful life.

The carrying amount of intangible asset is reviewed at each financial year end for impairment based on internal /external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

5. Inventory

Inventories comprising of completed units are valued at lower of cost or net realisable value and Inventories comprising of construction work-in-progress are valued at cost. Construction work-in-progress includes cost of land, premium for development rights, construction costs, allocated interest and expenses incidental to the projects undertaken by the Group.

6. Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are discounted to their present value and are determined based on the best estimate

required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in the notes. Contingent liabilities are disclosed for:

- i) possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

7. *Leases*

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease term.

8. *Borrowing costs*

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets or for long - term project development are capitalised as part of their costs.

Borrowing costs are considered as part of the asset cost when the activities that are necessary to prepare the assets for their intended use are in progress.

Borrowing costs consist of interest and other costs that incurs in connection with the borrowing of funds. Other borrowing costs are recognised as an expense, in the period in which they are incurred.

9. *Segment Reporting*

The Company has only one segment i.e "Real Estate". Hence there are no reportable segments under AS-17. During the year under Report, the company has carried out all the business operations in India. The conditions prevailing in India being uniform, no separate geographic disclosure are considered necessary Hence segment reporting is not required.

10. *Cash and cash equivalents*

Cash and cash equivalent in the financial statement comprise cash at banks and on hand, demand deposit and short-term deposits, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above.

11. Employee benefits

i) Short term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Obligations for contributions to defined contribution plans such as Provident Fund and Employee State Insurance Corporations are expensed as the related service is provided.

iii) Defined Benefit Plans

The liability for the Gratuity is debited to the Profit & Loss Account is charged as and when the liability is crystalized and paid and to that extent AS-15 is deviated. However its effect on financial statements is not material.

12. Revenue Recognition

The revenue from the project related to real estate developments is recognized on the basis of conveyance deed executed with the members of the scheme and possession given to the members, on a year to year basis in pursuance of Accounting Standard – 9 (AS-9) and Guidance Note on Real Estate Developers (Revised), 2012, issued by ICAI.

The revenue from the Works Contract related projects is recognized as per the terms and conditions of the “Works Contract Agreement” and accordingly periodic invoices are raised.

Interest Income is recognized on time proportion basis taking into account outstanding balance and rate of interest agreed upon with the parties.

13. Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent there is convincing evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities

iii) Minimum Alternative Tax (MAT)

MAT credit is recognised as a deferred tax asset only when and to the extent there is a convincing evidence that the Company will pay normal tax during specified period. MAT credit is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

14. Earnings per Share

i) Basic Earnings Per Share

Basic earnings per share are computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

	March 31, 2019	March 31, 2018
Profit attributable to ordinary shareholders (basic) (Rs. In lakh)	131.74	112.04
Profit for the year, attributable to ordinary shareholders of the Company	131.74	112.04
Weighted average number of ordinary shares (basic)		
Weighted average number of equity shares at the beginning of the year	7604000	7604000
Add: Weighted average number of equity shares issued during the year	2667000	-
Weighted average number of equity shares outstanding at the end of the year	10271000	7604000
	0	0
Basic Earnings Per Share	1.28	1.47

ii) Diluted Earnings Per Share

Diluted earnings per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all the dilutive potential equity shares.

	March 31, 2019	March 31, 2018
Profit attributable to ordinary shareholders (diluted) (Rs. In lakh)	131.74	112.04
Profit for the year, attributable to ordinary shareholders of the Company	131.74	112.04
Weighted average number of ordinary shares (diluted)		
Weighted average number of equity shares outstanding (basic)	1027100	760400
	0	0
		-
Add: Weighted average effect of potential equity shares	7455000	-
	1772600	760400
	0	0
Diluted Earnings Per Share	0.74	1.47

15. Related party Disclosures

i) List of related parties:

(a) Key Management Personnel and their relatives:

- Mr. Ashokkumar Raghuram Thakker
- Mrs. Dharmisthaben Ashokkumar Thakkar
- Mr. Piyushkumar C. Thakkar
- Mr. Kirtar Satubhai Munshi
- Mrs. Ziral P. Soni

(b) Entities where key management personnel have significant influence:

- Art Club Pvt Ltd
- DAT Hotels and Resorts Private Limited
- Dhara Developers

ii) Related Party Transactions:

For the Financial year ended 2018-19

Name of the party	Nature of Relation	Nature of Transaction	Amount(Rs.In Lakhs)
Mr. Kirtar Satubhai Munshi	Chief Financial officer	Salary	18.00
Mr. Piyushkumar C. Thakkar	Director	Director's Remuneration	84.00

Mr. Ashokkumar Raghuram Thakker	Managing Director	Director's Remuneration	12.00
Mrs. Ziral P. Soni	Company secretary	Salary	1.20
Art Club Limited	Common Director	Works Contract	1817.14
Mr. Ashokkumar Raghuram Thakker	Managing Director	Loan from Directors	755.55
Mrs. Dharmisthaben Ashokkumar Thakkar	Director	Loan from Directors	10.00
Mr. Piyushkumar C. Thakkar	Director	Loan from Directors	789.35
Mr. Ashokkumar Raghuram Thakker	Managing Director	Repayment of Loan to directors	1015.79
Mrs. Dharmisthaben Ashokkumar Thakkar	Director	Repayment of Loan to directors	12.00
Mr. Piyushkumar C. Thakkar	Director	Repayment of Loan to directors	471.65
Mr. Ashokkumar Raghuram Thakker	Managing Director	Security Deposit	10.00
Art Club Private Limited	Common Director	Security Deposit	646.17
Art Club Private Limited	Common Director	Rent Income	27.00
Mr. Ashokkumar Raghuram Thakker	Managing Director	Rent Expense	6.60
Mrs. Dharmisthaben Ashokkumar Thakkar	Director	Rent Expense	10.09
Mr. Ashokkumar Raghuram Thakker	Managing Director	Interest Expense on Loan from Directors	33.94

For the Financial year ended 2017-18

Name of the party	Nature of Relation	Nature of Transaction	Amount(Rs. In Lakh)
Mr. Kirtar Satubhai Munshi	Chief Financial officer	Salary	9.00
Mr. Piyushkumar C. Thakkar	Director	Director's Remuneration	4.20
Mrs. Ziral P. Soni	Company secretary	Salary	1.20
Art Club Limited	Common Director	Works Contract	3276.84
Mr. Ashokkumar Raghuram Thakker	Managing Director	Loan from Directors	3427.93
Mrs. Dharmisthaben Ashokkumar Thakkar	Director	Loan from Directors	2.00
Mr. Piyushkumar C. Thakkar	Director	Loan from Directors	61.50
Mr. Ashokkumar Raghuram Thakker	Managing Director	Repayment of Loan to Directors	2845.55

Mr. Piyushkumar C. Thakkar	Director	Repayment of Loan to Directors	61.50
Art Club Private Limited	Common Director	Security Deposit	646.17
Art Club Private Limited	Common Director	Rent Income	24.00
Mrs. Dharmisthaben Ashokkumar Thakkar	Director	Rent Expense	7.60
Mr. Ashokkumar Raghuram Thakker	Managing Director	Interest Expense on Loan from Directors	101.82

- 16.** The Director General of Goods & Services Tax Intelligence Zonal Unit, Ahmedabad, conducted search in the premises of the company on 12/10/2018 and impounded certain material. The investigation is not yet concluded and the company is submitting requisite explanation from time to time to the department and hence no effect has been given in the financials being reported herewith.
- 17.** The figures of the previous period/year have been regrouped/recast/reclassified wherever considered necessary to conform to the current year's presentation.

For, Arpan Shah & Associates
Chartered Accountants
FRN No: 125049W

CA Arpan Shah
Proprietor
Membership No: 116736
PLACE: AHMEDABAD
Date: 30.05.2019

For and on behalf of the Board of
ART NIRMAN LIMITED

Ashokkumar Thakker Managing Director (DIN: 0002842849)	Piyushkumar Thakkar Director (DIN: 0007555460)
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Kirtar Munshi
Chief Financial Officer

Art Nirman Limited

410, JBR Arcade, Science City Road,
Sola, Ahmedabad – 380060,
Gujarat, India

Email id: cs@artnirman.com

Website: www.artnirman.com

CIN: L45200GJ2011PLC064107

08th Annual General Meeting – 26th September 2019.**ATTENDENCE 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 8th Annual General Meeting of the company to be held on Thursday, 26th September 2019 at 11.00 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

410, JBR Arcade, Science City Road,

Sola, Ahmedabad – 380060,

Gujarat, India

Email id: cs@artnirman.comWebsite: www.artnirman.com

CIN: L45200GJ2011PLC064107

8th Annual General Meeting – 26th September, 2019**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:
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as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8th **Annual General Meeting** of the Company, to be held on the Thursday, 26th September, 2019 at 11.00 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
	ORDINARY BUSINESS			
1	Adoption of the Financial Statements of the Company and reports of the Auditors and the Directors thereon.			
2	Re-appoint Mr. Piyushkumar Thakkar (DIN: 07555460) as director of the company who is liable for retire by rotation.			
3	Appointment of M/s Arpan Shah & Associates, Chartered Accountant, Ahmedabad as Statutory Auditor.			
	SPECIAL BUSINESS			
4	Approval for giving loans, guarantee, security making investments, u/s 185 of Companies Act, 2013.			
5	Approval for increase the overall limit of Managerial Remuneration u/s 197 of the Companies Act, 2013.			

Signed this _____ day of _____, 2019

Signature of Member(s)

Signature of Proxy Holder

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

Notes:

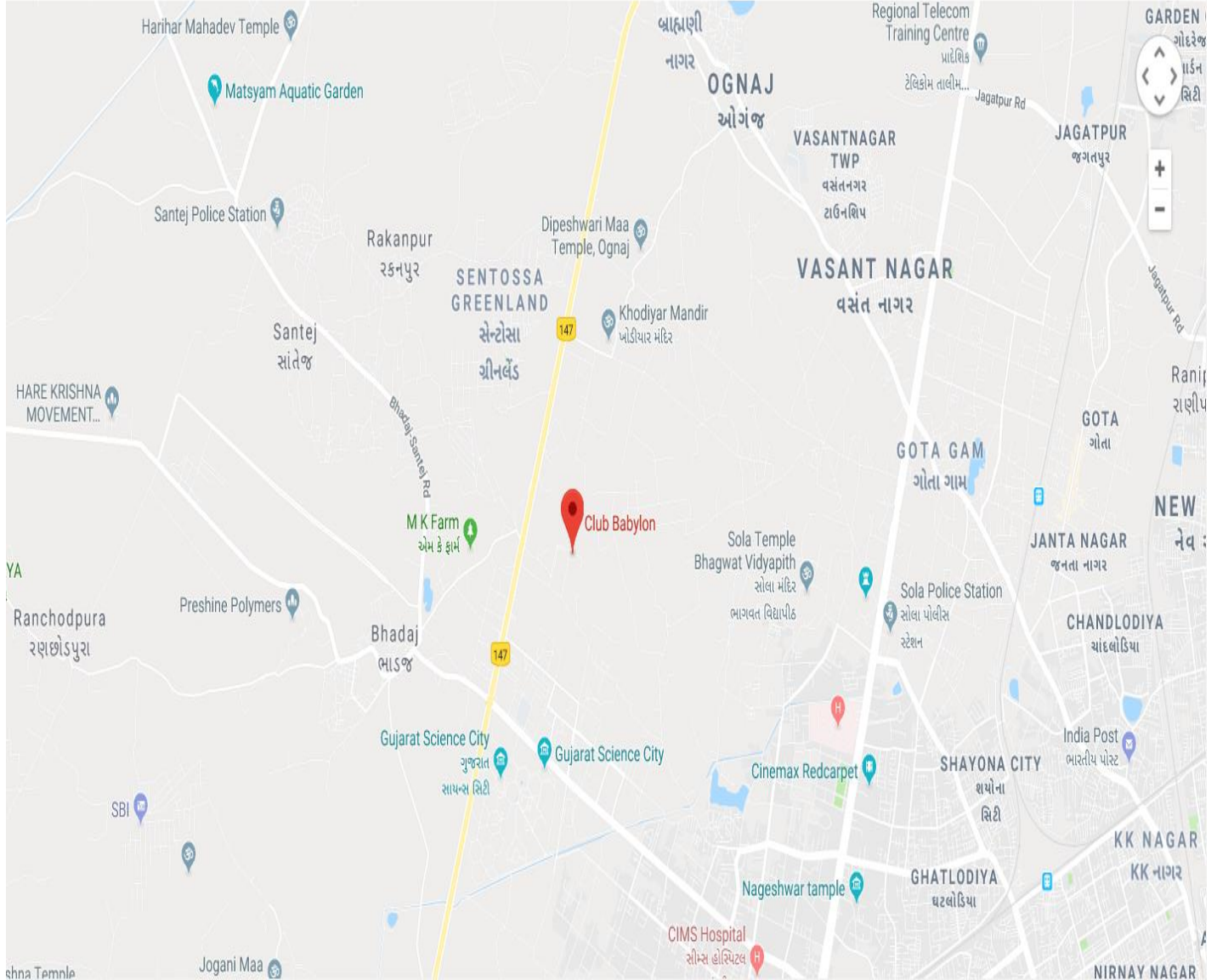
1. For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the 8th Annual General Meeting.
2. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
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

Route map to AGM

Venue: Club Babylon, S P Road, Nr. Science City Circle, Bhadaj, Ahmedabad 380060, Gujarat, India

Time: 11.00 A.M.



Art Nirman Limited

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Sola, Ahmedabad – 380060,
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Email id: cs@artnirman.com

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