

Annual Report
2016-2017

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

ARCHIT ORGANOSYS LIMITED

BOARD OF DIRECTORS

Shri Kandarp K. Amin
Smt. Archana K. Amin
Shri Archit Amin (w.e.f. 12th May, 2017)
Shri Bhupendra Mehta
Shri Haresh Shah
Shri Rajendraprasad J. Shah (w.e.f. 15th July, 2016)

BANKERS

Union Bank of India,
S.S.I. Branch,
Ashram Road, Ahmedabad - 380 014.

AUDITORS

G. K. Choksi & Co.
Ahmedabad

REGISTERED OFFICE

Plot No. 25/9-A, Phase-III,
G.I.D.C. Naroda,
Ahmedabad 382 330.

CORPORATE OFFICE

4th Floor, 402-403, Smit Complex,
B/h. Navrangpura Post Office,
Navrangpura,
Ahmedabad 380 009.

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

REGD OFF: PLOT No 25/9-A, PHASE-III, G.I.D.C. NARODA, AHMEDABAD – 382330

PHONE: 91-79- 22821154 E-MAIL: share@architorg.com

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the members of the Company will be held on Saturday, 23rd September, 2017 at 10.00 A.M. at ATMA Hall, Opp. City Gold, Ashram Road, Ahmedabad- 380009 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statement of the Company including Balance Sheet as at 31st March, 2017, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Directors' and the Auditors' Report thereon.
- (2) To appoint a Director in place of Shri Kandarp Amin (DIN: 00038972) who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of the section 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Chirag R. Shah & Associates, Chartered Accountants (Firm Registration Number- 118791W) be and are hereby appointed as the Statutory Auditors of the Company in place of M/s. G. K. Choksi & Co., Chartered Accountants, (Firm Reg. no. 101895W), for a term of five consecutive years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the AGM to be held for the financial year ending on March 31, 2022, subject to the ratification of their appointment by the members at every AGM and on the remuneration as may be decided by Shri Kandarp Amin, Chairman and Whole Time Director in consultation with the Statutory Auditors.

SPECIAL BUSINESS:

- (4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

RESOLVED THAT Shri Archit Amin (DIN: 01681638) who was appointed as an Additional Director of the Company with effect from 12th May, 2017 by the Board of Directors and who holds office up to the date of Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 ("The Act"), and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

- (5) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded for appointment of Shri Archit Amin (DIN: 01681638) as the Whole Time Director of the Company for the period of 3 years with effect from 12th May, 2017 on the terms and conditions including remuneration as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Archit Amin, the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the Board and Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

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

- (6) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of

the member be and is hereby accorded for re-appointment of Shri Kandarp Amin (DIN: 00038972) as the Whole Time Director of the Company for the period of 3 years with effect from 1st April, 2017 on the terms and conditions including remuneration as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Shri Kandarp Amin, the remuneration payable to him subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the Board and Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

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

- (7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Section 196, 197, Schedule V and all the other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the member be and is hereby accorded for re-appointment of Smt. Archana Amin (DIN: 00038985) as the Whole Time Director of the Company for the period of 3 years with effect from 1st April, 2017 on the terms and conditions including remuneration as detailed in the explanatory statement attached hereto.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of the Board be and is hereby authorized to revise from time to time during the tenure of the appointment of Smt. Archana Amin, the remuneration payable to her subject to overall limits laid down in Sections 197, Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) without further approval of the Board and Members of the Company but with such other approvals, sanctions or permissions, if any, required for such revision in the remuneration.

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

- (8) To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**.

RESOLVED THAT pursuant to the provisions of Section 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to maintain the Register of Members together with the Index of members of the Company under section 88 of Act and copies of the Annual Returns under section 92 of the Act at the office premises of Link Intime India Pvt. Ltd., Registrar and Transfer Agent (RTA), at 5th floor, 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Near XT Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad - 380009, and such other places as the RTA, shifts its office from time to time instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** The Proxies in order to be valid must be delivered at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of members not more than 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. In case the proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy cannot act as a proxy for any other person or shareholder.
- Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts relating to the Special Businesses to be transacted at the Annual General Meeting (AGM) is annexed hereto.
- Members holding shares in electronic form are requested to intimate immediately the change, if any in their registered address to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate any such change to the Company or its Share Transfer Agent.

4. Members / proxies are requested to bring the attendance slip send herewith duly filled in for attending the meeting and members are also requested to bring the copy of Annual Report to the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Only registered members of the Company or any proxy appointed by such registered member may attend the Annual General meeting as provided under the provisions of the Companies Act, 2013.
7. Corporate members intending to send their authorized representatives to attend the Annual General Meeting are requested to send the Company, a certified true copy of their board resolution authorizing their representatives to attend and vote on their behalf at the Annual General meeting.
8. The financial statements, the reports and all other documents required under the law to be annexed thereto are available for inspection during working hours at the Registered Office of the Company on any working day upto the conclusion of this meeting. Members may also note that the notice of annual general meeting will also be available on the website of the Company www.architorg.com for their download.
9. Members desiring to seek information on financial statements to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
10. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately. Members holding shares in physical form are requested to register their e-mail id by communicating the same to the Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id and are advised to approach their Depository Participants in this regard.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the electronic form are, therefore, requested to submit their PAN to their Depository Participant. Members holding shares in physical form shall submit their PAN details to the Company.
12. Copies of the Annual Report for the financial year 2016-17 along with notice convening the Annual General Meeting are being sent by electronic mode to all the members whose email addresses are registered with the Company/ DP. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members who have not registered their e mail address with the Company are requested to get their e mail ids registered with the Company.
13. Information required to be furnished as required under SS-2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Director who is proposed to be re-appointed, is given below:

Name of Director	Date of Birth	Date of Appointment	Qualification and Expertise in functional areas	Shareholding in the Company	**Details of Directorship held in other Companies as on 31.03.2017	#Details of Membership/ Chairmanship of Committee as on 31.03.2017
Shri Kandarp K Amin	20/08/1957	22/01/2000	Commerce Graduate Manufacturing, Export-import business, finance and management. Experience of about 35 years in chemicals and trading business and 20 years in manufacturing of chemicals.	35,71,295	Rajpath Club Limited	NIL

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Smt Archana K. Amin	11/12/1959	01/04/2009	B.sc (Chemistry) Product Procurement Export Business and Production planning with 12 years of experience in the chemical industry.	29,85,515	NIL	NIL
Shri Archit K. Amin	16/08/1983	12/05/2017	B.E., Master of Science in Engineering from the University of Pennsylvania, USA. Research & Development, Product procurement and processing in Chemical Industry.	5,29,200	NIL	NIL

Shri Kandarp K. Amin, Whole Time Director of the Company is spouse of Smt. Archana Amin, Whole Time Director of the Company.

Shri Archit Amin, Whole Time Director of the Company is son of Shri Kandarp K. Amin, Whole Time Director of the Company and Smt. Archana K. Amin, Whole Time Director of the Company.

*** Excludes the Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 (erstwhile Section 25 of the Companies Act, 1956)

under this column, membership/Chairmanship of Audit Committee and Stakeholders Relationship Committee is considered.

14. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is offering "remote e-voting facility" to all Members of the Company through this Notice and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited, who will be facilitating remote e-voting facility to enable the Members to cast their vote electronically. The Members can cast their vote online from 10.00 AM on Wednesday, September 20, 2017 to 5.00 P.M. on Friday, September 22, 2017 (Both days Inclusive). The Members shall refer to the detailed procedure on e-voting given in the e-voting Notice.
15. A Route Map showing the Directions to reach the venue of the 24th Annual General Meeting is attached along with the notice as per the requirement of Secretarial Standards – 2 on General Meeting.
16. The Board of Directors has appointed M/s. Parikh Dave & Associates Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and poll process at the Annual General Meeting in a fair and transparent manner. The scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not being in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall counter sign the same.
17. The result will be declared on receipt of Scrutinizer's Report. The results declared along with the scrutinizer's report will be available on the website of the Company (www.architorg.com) and on the website of agency (www.cdslindia.com). The Company shall simultaneously forward the results to Stock Exchanges where the equity shares of the Company are listed, within the prescribed period.
18. Shareholders holding Equity Shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.
19. A member may participate in the Annual General Meeting even after exercising his right to vote through electronic means, but shall not be allowed to vote again at the Annual General Meeting.
20. Members are requested to vote only through electronic system or through poll/ballot at the Annual General Meeting and in no other form. In case the member casts his vote through both the processes, the vote casted in electronic mode would prevail, and shall be considered final.
21. Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Regd. Folio number in the Attendance Slip for attending the Annual General meeting to facilitate identification of membership at the Annual General meeting.

22. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the RTA/Depositories, as the case may be, as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the Annual General Meeting. Any person who has ceased to be the Member of the Company as on the cut-off date will not be entitled for remote e-voting or voting at the AGM and should treat this Notice for information purpose only.
23. Any person who acquires shares of the Company after the dispatch of the Notice and holds shares as on cut-off date, may cast the vote after following the instructions for remote e-voting as provided in the notice convening the meeting. However if you are already registered with the CDSL for remote e-voting, then you can use the existing User-Id and password for casting your vote.
24. Shri Shaileshbhai Kadia, Secretarial Officer, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including remote e-voting. His contact details are - Email: share@architorg.com Phone / Mobile No. : 9328877743 at Plot No. 25/9-A, Phase-III GIDC Naroda, Ahmedabad-382330.

The instructions for shareholders voting electronically are as under:

- (i) The remote e- voting period commences at 10.00 AM on Wednesday, September 20, 2017 to 5.00 P.M. on Friday, September 22, 2017 (both days inclusive). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. September 16, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> · Members who have not updated their PAN with the Company/Depository Participant are requested to use 10 digits of the sequence number in the PAN Field. The Sequence Number is printed on address slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend\ Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> · Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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 remote 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of ARCHIT ORGANOSYS LIMITED on which you choose to vote.

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- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) 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 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.

In case you have any queries or issues regarding remote 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

CONTACT DETAILS:

Company	ARCHIT ORGANOSYS LIMITED
Registrar and transfer agent	LINK INTIME INDIA PVT. LTD
E-voting Agency	Central Depository Services (India) Limited
E-mail ID:	helpdesk.evoting@cdslindia.com
Scrutinizer	M/s. Parikh Dave & Associates Practicing Company Secretaries, Ahmedabad Email id: evoting@parikhdave.com

PLACE : Ahmedabad
DATE: August 12, 2017
REGISTERED OFFICE
PLOT NO. 25/9-A, PHASE III,
G.I.D.C. NARODA,
AHMEDABAD - 382 330

BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.

(KANDARP K. AMIN)
Chairman & Whole Time Director
DIN: 00038972

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

REGD OFF: PLOT No 25/9-A, PHASE-III, G.I.D.C. NARODA, AHMEDABAD – 382330

PHONE: 91-79- 22821154 E-MAIL: share@architorg.com

EXPLANATORY STATEMENT

PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the special business mentioned in the accompanying Notice.

Item No. 4

The Board of Directors of the Company has appointed Shri Archit Amin (DIN: 01681638) as an Additional Director of the Company with effect from 12th May, 2017, pursuant to Section 161(1) of the Companies Act, 2013. In terms of the provisions of Section 161 of the Companies Act, 2013, Shri Archit Amin will hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice from a Member of the Company along with the deposit of requisite amount under Section 160 of the Act proposing his candidature as Director of the Company.

The Board considering his association with the Company and notable contribution made by him in setting up plant of the Company at Bhavnagar though it is advisable that appointment of Shri Archit Amin as a Director would be of immense benefit to the Company and it is desirable to continue to avail his service as a Director. Your Directors recommend the passing of the proposed Resolution.

Except Shri Archit K. Amin being an appointee, Shri. Kandarp K. Amin, and Smt. Archana K. Amin, Whole Time Directors being relatives, none of the other Director and Key Managerial personnel and / or their relatives are concerned or interested, financially or otherwise in the proposed Resolution.

Item No. 5

The Board of Directors of the Company has appointed Shri Archit K. Amin as the Whole Time Director of the Company on the recommendation of a Nomination and Remuneration Committee for a period of three years with effect from 12th May, 2017, subject to approval of the members of the Company on the terms and conditions and remuneration as mentioned herein below:

(a) Salary:

Salary plus allowances with different breakup be payable on monthly / yearly basis within overall limit not exceeding Rs. 3,00,000/- per month. Annual increment maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.

(b) Perquisites:

In addition to the salary as described in (a) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

- (i) Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity: The Company shall pay gratuity as per the Company's Rules.
- (iii) Encashment of leave at the end of the tenure.

(c) Other Perquisites:

- (i) Medical Reimbursement: Expenses incurred for self and family subject to the ceiling of one month's salary per year which can be carried forward for 3 years.
- (ii) Leave travel concession: For self and family once in a year within such limits as may be approved by the Nomination and Remuneration Committee from time to time.
- (iii) Bonus / Ex-gratia payments: The Company shall pay as per the rules of the Company.
- (iv) The Company shall pay the residence telephone expenses, however the long distance personal call shall be billed by the Company.

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- (v) He shall be entitled to the benefits under all the other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the company's practice, rules, regulations in force from time to time.

(d) Contribution to Pension Scheme (NPS)

The Company may contribute in Pension Scheme as per the Company's rules.

- (e) He will be entitled to all other benefits as applicable to the senior executives of the Company.

- (f) For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

Notwithstanding anything to the contrary herein contained, where, in any financial year the Company, has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites and allowances as specified above subject to the limits as may be prescribed or amended in future from time to time under the provisions of the Companies Act, 2013, Schedule thereof and the Rules framed there under as well as any other statutory provisions as may be applicable.

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 the approval of the members is being sought for appointment and payment of remuneration to Shri Archit Amin as the Whole Time Director of the Company. In the opinion of the Board, Shri Archit Amin fulfills the conditions specified in the Companies Act, 2013 and the rules made there under for his appointment as the Whole Time Director of the Company.

Your Directors recommend the passing of the proposed resolution.

Except Shri Archit K. Amin being an appointee, Shri Kandarp K. Amin, and Smt. Archana K. Amin, Whole Time Directors being relatives, none of the other Directors and Key Managerial personnel and / or their relatives are concerned or interested, financially or otherwise in the proposed Resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. *General Information :

As per Note given below

II. Information about the appointee :

- (1) Background details: He hold a bachelors Degree in Engineering from Gujarat University and Master degree in Engineering from the University of Pennsylvania, USA and has experience of working in Research & Development , product process and procurement field in the Chemical Industry.
- (2) Past Remuneration : ` 1,25,000/- per month plus perquisites and benefits during financial year 2016-17.
- (3) Recognition and awards : NIL
- (4) Job profile and his suitability: The Whole-time Director is responsible for production, project and corporate strategy subject to the superintendence, control and direction of the Board of Directors. He was associated with Company as Chief Executive and had played key role in setting up unit at Bhavnagar hence he is suited for the shouldering the responsibilities as Whole Time Director of the Company.
- (5) Remuneration proposed: As mentioned above.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) Shri Archit Amin has no pecuniary relationship directly or indirectly with the Company except to the extent of proposed remuneration and his shareholding in the Company.

III. **Other information:

As per Note given below.

Item No. 6

In view of expiry of term of office of Shri Kandarp K. Amin as a Whole-time Director of the Company, the Board of Directors of the Company has re-appointed him as the Whole-time Director of the Company on revised terms w.e.f. 1st April, 2017 for a term of three years.

During the tenure, he has continuously contributed in the growth of the Company. Considering his experience, knowledge and skills, the Board of Directors has re-appointed him for a period of three years with effect from 1st April, 2017 on the terms of Remuneration which has been recommended by the Nomination and Remuneration Committee and mentioned herein below:

(a) Salary:

Salary plus allowances with different breakup be payable on monthly / yearly basis within overall limit not exceeding ₹ 5,00,000/- per month. Annual increment maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.

(b) Perquisites:

In addition to the salary as described in (a) above, he shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

- (i) Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity: The Company shall pay gratuity as per the Company's Rules.
- (iii) Encashment of leave at the end of the tenure.

(c) Other Perquisites:

- (i) Medical Reimbursement: Expenses incurred for Self and family subject to the ceiling of one month's salary per year which can be carried forward for 3 years.
- (ii) Leave travel concession: For self and family once in a year within such limits as may be approved by the Nomination and Remuneration Committee from time to time.
- (iii) Bonus / Ex-gratia payments: The Company shall pay as per the rules of the Company.
- (iv) The Company shall pay the residence telephone expenses, however the long distance personal call shall be billed by the Company.
- (v) He shall be entitled to the benefits under all the other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the company's practice, rules, regulations in force from time to time.

(d) Contribution to Pension Scheme (NPS)

The Company may contribute in Pension Scheme as per the Company's rules.

(e) He will be entitled to all other benefits as applicable to the senior executives of the Company.

(f) For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

Notwithstanding anything to the contrary herein contained, where, in any financial year the Company, has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites and allowances as specified above subject to the limits as may be prescribed or amended in future from time to time under the provisions of the Companies Act, 2013, Schedule thereof and the Rules framed there under as well as any other statutory provisions as may be applicable.

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, the approval of the members is being sought to approve the terms, conditions and stipulations for the re-appointment of Shri Kandarp K. Amin as Whole Time Director and the remuneration payable to him. In the opinion of the Board, Shri Kandarp K. Amin fulfills the conditions specified in the Companies Act, 2013 and rules made there under for his re-appointment as Whole Time Director of the Company.

Your Directors recommend the passing of the proposed resolution.

Except Shri Kandarp K. Amin being an appointee and Smt. Archana K. Amin and Shri Archit Amin, Whole time Directors being relative, none of the other Directors and Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. *General Information :

As per Note below

II. Information about the appointee :

- (1) Background details : He is a Commerce Graduate and has a vast experience of about 35 years in chemicals and trading business and 20 years in chemical manufacturing industry.
- (2) Past Remuneration : ₹ 1,60,000/- per month during the financial year 2016-17.
- (3) Recognition and awards : NIL

- (4) Job profile and his suitability: The Whole-time Director is responsible for production, project and corporate strategy subject to the superintendence, control and direction of the Board of Directors. Considering the long association and notable contributions made by him in taking up the Company to this level of growth his appointment as Whole Time Director is in the best interest of the Company.
- (5) Remuneration proposed: ₹ 5,00,000/- per month with suitable breakup as per the rules / policy of the Company with annual increment shall be maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) He has no pecuniary relationship directly or indirectly with the Company except to the extent of proposed remuneration and his shareholding in the Company.

III. "Other information:

As per Note Below

Item No. 7

In view of expiry of term of office of Smt. Archana K. Amin, Whole-time Director of the Company, the Board of Directors of the Company has re-appointed her as the Whole-time Director of the Company on revised terms w.e.f. 1st April, 2017 for a term of three years.

During the tenure, she has continuously contributed to a great extent in the growth of the Company. Considering her experience, knowledge and contribution made, the Board of Directors has re-appointed her for a period of three years with effect from 1st April, 2017 on the terms of Remuneration which has been recommended by the Nomination and Remuneration Committee and mentioned herein below:

(a) Salary:

Salary plus allowances with different breakup be payable on monthly / yearly basis within overall limit not exceeding ₹ 5,00,000/- per month. Annual increment maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.

(b) Perquisites:

In addition to the salary as described in (a) above, she shall be eligible for the following perquisites, which shall not be included in the computation of ceiling on remuneration specified hereinabove.

- (i) Provident Fund: Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (ii) Gratuity: The Company shall pay gratuity as per the Company's Rules.
- (iii) Encashment of leave at the end of the tenure.

(c) Other Perquisites:

- (i) Medical Reimbursement: Expenses incurred for Self and family subject to the ceiling of one month's salary per year which can be carried forward for 3 years.
- (ii) Leave travel concession: For self and family once in a year within such limits as may be approved by the Nomination and Remuneration Committee from time to time.
- (iii) Bonus / Ex-gratia payments: The Company shall pay as per the rules of the Company.
- (iv) The Company shall pay the residence telephone expenses, however the long distance personal call shall be billed by the Company.
- (v) She shall be entitled to the benefits under all the other schemes, privileges and amenities as are granted to the senior executives of the Company in accordance with the company's practice, rules, regulations in force from time to time.

(d) Contribution to Pension Scheme (NPS)

The Company may contribute in Pension Scheme as per the Company's rules.

(e) She will be entitled to all other benefits as applicable to the senior executives of the Company.

(f) For all other terms and conditions not specifically spelt out above, the rules and order of the Company shall apply.

Notwithstanding anything to the contrary herein contained, where, in any financial year the Company, has no profits or its profits are inadequate, the Company shall pay remuneration by way of salary and perquisites and allowances as specified above subject to the limits as may be prescribed or amended in future from time to time under the provisions of the Companies Act, 2013, Schedule thereof and the Rules framed there under as well as any other statutory provisions as may be applicable.

Pursuant to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, the approval of the members is being sought to the terms, conditions and stipulations for the re-appointment of Smt. Archana K. Amin as Whole Time Director and the remuneration payable to her. In the opinion of the Board, Smt. Archana K. Amin fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her re-appointment as Whole Time Director of the Company.

Your Directors recommend the passing of the proposed resolution.

Except Smt. Archana K. Amin being an appointee and Shri Kandarp K. Amin and Shri Archit Amin, Whole time Directors, begin relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed resolution.

Statement containing information required to be given as per item (iv) of third proviso of Section II of Part II of Schedule V to the Companies Act, 2013.

I. *General Information :

As per Note below

II. Information about the appointee :

- (1) Background details : She has done B.sc (Chemistry) and has vast experience in the field of Procurement, Export Business and Production planning and having overall experience of 12 years in the chemical industry.
- (2) Past Remuneration : ` 1,75,000/- per month including perquisites & benefits during the financial year 2016-17.
- (3) Recognition and awards : NIL
- (4) Job profile and his suitability: The Whole-time Director is responsible for production, project and corporate strategy subject to the superintendence, control and direction of the Board of Directors. Considering the long association and expertise in relevant field she is suited for the appointment as Whole Time Director of the Company.
- (5) Remuneration proposed: ` 5,00,000/- per month with suitable breakup as per the rules / policy of the Company with annual increment shall be maximum up to 30% of last remuneration depending upon work performance, working of the Company etc. as may be decided by Nomination and Remuneration Committee of the Board from time to time.
- (6) There are no companies of the same size in the industry as such there is no statistics available of comparative remuneration profiles.
- (7) Smt. Archana Amin has no pecuniary relationship directly or indirectly with the Company except to the proposed remuneration and to the extent of her shareholding in the Company.

III. **Other information:

As per Note Below

Note-

***General information of the Company:**

- (1) Nature of Industry : Chemical Industry
- (2) The commercial operations have already begun.
- (3) The Company is not a new Company.
- (4) Financial Performance:

PARTICULARS	(` in crores)	
	Year ended 31-03-2017	Year ended 31-03-2016
Revenue from Operations	48.03	51.35
Other Income	0.34	0.55
Profit before Exceptional Items and Tax	2.81	2.32

ARCHIT ORGANOSYS LIMITED

Exceptional items – One Time Expenses of Lenders Settlement	-	-
Profit before Tax	2.81	2.32
Tax Expense	1.25	0.86
Profit After Tax (PAT)	1.56	1.47
Other Comprehensive Income	-	-
Total Comprehensive Income	-	-

(5) There are no foreign investments by the Company and the company has not entered into foreign collaboration.

“ Other information:

The profits of the Company are in line with the current industrial scenario and are reasonable, but the remuneration payable to the Whole-Time Directors, considering their valuable contributions and increased responsibilities, as mentioned here above during their tenure exceeds the limits prescribed under Section 197 of the Companies Act, 2013 however are in line with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013.

In order to expand Companies' current manufacturing operations, the Company is in the process of establishing a new manufacturing facility at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India (“Bhavnagar Facility”) on a land area admeasuring 56,656 sq. mtrs. In this regard, Company has purchased the land and has started construction of the proposed plant. The Bhavnagar Facility will add to the production capacity of Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA) and will add Chloro Acetyl Chloride (CAC) as well as Polyaluminium Chloride (PAC) to Company's product portfolio. We have developed a new product in adhesives & sealants used for residential & commercial buildings with latest technical knowhow & knowledge. The Company is continuously working for improving production efficiency and better profitability.

Item No. 8

As required under the provisions of Section 94 the Companies Act, 2013, certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94 of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent (“RTA”), Link Intime India Pvt. Ltd., at 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Near XT Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad - 380009, and such other places as the RTA, shift its office from time to time.

A copy of the proposed resolution will be forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommends passing of the proposed resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives are concerned or interested financially or otherwise in the proposed resolution.

PLACE : Ahmedabad
DATE: August 12, 2017
REGISTERED OFFICE
PLOT NO. 25/9-A, PHASE III,
G.I.D.C. NARODA,
AHMEDABAD - 382 330

BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.

(KANDARP K. AMIN)
Chairman & Whole Time Director
DIN: 00038972

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the 24th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2017.

FINANCIAL RESULTS:

The operating results of the Company for the year ended on 31st March, 2017 are briefly indicated below:

(` in lacs)

	Year 2016-2017	Year 2015-2016
Profit Before Depreciation and Taxation	333.51	271.91
Depreciation	52.92	39.79
Profit before Taxation	280.58	232.12
Provision for taxation - For Current Tax	60.00	83.00
Provision for taxation - For Deferred Tax	124.67	2.54
MAT credit Entitlement	(60.00)	0.00
Profit after Taxation	155.91	146.58

DIVIDEND AND TRANSFER TO RESERVES:

In order to plough back resources, your directors do not recommend any payment of dividend for the financial year. Further the Company has not transferred any amount to reserves during the year.

PERFORMANCE OF THE COMPANY & FUTURE PROSPECTS:

During the year under review, total revenue from operations was ` 4848.83 Lacs as against ` 5204.62 Lacs in previous year.

Profits before Tax for the year has increased to ` 280.58 Lacs from ` 232.12 Lacs in previous year indicating the growth of about 20.88% in comparison to prior year. Profit after tax has increased to ` 155.91 Lacs from ` 146.59 Lacs in the previous year indicating the growth of about 6.36% in comparison to prior year. Further details are given in management discussions and analysis report.

MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE CONCLUSION OF THE FINANCIAL YEAR TILL THE END OF THIS REPORT:

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:

A report on Management Discussion and Analysis (MDA) is annexed to this report as **Annexure II**, inter-alia deals adequately with the operations and also current and future outlook of the Company.

ALLOTMENT OF SHARES:

During the year under review the Board of Directors of the Company at its meeting held on 24.03.2017 has allotted 1,00,42,200 partly paid Equity Shares having face value of ` 10/- each at a price of ` 25/- per share (including premium of ` 15/-). ` 12.50 (` 5/- per share towards face value and ` 7.50 per share towards share premium) has been received by the Company on application and the remaining amount be payable on first and final call as and when the same is made.

The Company has received the listing and trading approval for said shares from BSE Limited and the shares of the Company are traded on stock exchange from 05.04.2017.

DEPOSITS:

The Company has not accepted or renewed any deposits from public falling within the purview of Section 73 of Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

ARCHIT ORGANOSYS LIMITED

CORPORATE SOCIAL RESPONSIBILITY:

The Company does not fall under the criteria mentioned in Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and accordingly the Company is not required to constitute CSR Committee and is not required to spend any amount in CSR Activity.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 and other applicable provisions if any, of the Companies Act, 2013, Shri Kandarp K Amin (DIN: 00038972), Whole Time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and he being eligible offers himself for re-appointment. Your Directors recommends his re-appointment.

During the year under review Shri Dipesh Kotak (DIN: 02531949) Director and Shri Ajay Patel, Chief Financial Officer has resigned from their respective positions w.e.f. 1st October, 2016. Ms. Neeti Patel, Company Secretary has resigned w.e.f. 13th August, 2016.

The Board placed on records its appreciation for the services rendered by them during their association with the Company.

With effect from 1st October, 2016, Ms. Ami Suthar has been appointed as Whole Time Company Secretary (Key Managerial Personnel) and Compliance Officer of the Company and Mr. Bharatkumar Shrimali has been appointed as Chief Financial officer and Key Managerial Personnel of the Company.

As the term of office of Shri Kandarp Amin (DIN: 00038972) and Smt. Archana Amin (DIN: 00038985) as a Whole Time Director was upto 31st March, 2017 the Board of Directors, subject to approval of members, had re-appointed them for further term of 3 years w.e.f. 1st April, 2017. Considering the remarkable contributions given by both of them in the growth of the Company the Board recommends passing of resolutions.

After closure of the year, Shri Archit Amin (DIN – 01681638) was appointed as Additional Director (Categorized as Whole Time Director) of the Company. He holds office up to the date of ensuing Annual General Meeting. Necessary resolution has been proposed for his appointment as a Director (Categorized as Whole Time Director) of the Company for approval of members of the Company.

The Key Managerial Personnel (KMP) in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

1. Shri Kandarp Amin - Whole Time Director
2. Shri Bharatkumar Shrimali - Chief Financial Officer
3. Ms. Ami Suthar- Whole Time Company Secretary

EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return as on 31st March, 2017 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure IV**.

CORPORATE GOVERNANCE REPORT:

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on "Corporate Governance" is attached as an **Annexure III** and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 with respect to the Directors' responsibility Statement, the Directors' confirms that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. they have selected such appropriate 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 on 31st March, 2017 and of the profit of the Company for the year under review;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. they have prepared the accounts for the period ended on 31st March, 2017 on a 'going concern' basis.
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NUMBER OF BOARD MEETINGS:

During the year the Board of Directors duly met fourteen (14) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report.

INSURANCE:

The properties and assets of the Company are adequately insured.

DECLARATION BY INDEPENDENT DIRECTORS:

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors have given declarations and further confirms that they meet the criteria of Independence as per the provisions of Section 149 (6).

PERFORMANCE EVALUATION OF THE BOARD COMMITTEES AND INDEPENDENT DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Rules framed thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 formal annual evaluation is to be made by the Board of its own performance and that of its Committees and Individual Directors. The Board after taking into consideration the criteria of evaluation laid down by the Nomination and Remuneration Committee in its policy such as Board Composition, level of involvement, performance of duties, attendance etc. had evaluated its own performance, the performance of its committees and Independent Directors (excluding the Director being evaluated).

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors at their separate meeting. The Directors expressed their satisfaction with the evaluation process.

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION:

Pursuant to the requirements of the Companies Act, 2013, the policy on appointment of Board Members and policy on remuneration of the Directors, KMPs and other employees is as attached as **Annexure V** to this report.

SECRETARIAL AUDIT REPORT:

M/s. M.P. Mehta & Co., Practicing Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2016-17 pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by them in prescribed form MR-3 is attached as **Annexure VI** to this report.

There are no qualifications or other observations or remarks of the Secretarial Auditors in the Report issued by them for the financial year 2016-17 which call for any explanation from the Board of Directors.

CONTRACTS OR AGREEMENTS WITH RELATED PARTIES:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2013 all the contracts and arrangements with related parties entered by the Company during the financial year were in ordinary course of Business and on arms' length basis. Details of the transactions are as mentioned in **Annexure VIII**.

During the year the Company has not entered into any materially significant related party transactions which may have potential conflict with the interest of the Company at large. Suitable disclosures as required are provided in AS-18 which is forming the part of the notes to financial Statement.

The policy on Related Party Transactions has been uploaded on the website i.e. www.architorg.com.

DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Details pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure VII** to this report.

ARCHIT ORGANOSYS LIMITED

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 members at the Registered office of the Company during business hours on working days of the Company upto the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures etc. The management is taking further steps to strengthen the internal control system.

RISK MANAGEMENT POLICY:

The Company has formulated the Risk Management Policy in order to safeguard the organization from various risks through timely actions. It is designed to mitigate the risk in order to minimize the impact of the risk on the Business. The Management is regularly reviewing the risk and is taking appropriate steps to mitigate the risk.

In the opinion of the Board there has been no identification of element of risk that may threaten the existence of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not made any Loans or provided any guarantee or has made any investments falling under purview of Section 186 of the Companies Act, 2013 during the financial year under review.

STATUTORY AUDITORS:

Pursuant to the provisions of Section 139 (2) of the Companies Act, 2013 the existing Statutory Auditors M/s. G. K. Choksi & Co., Chartered Accountants, (FRN: 101895W) who have been acting as statutory auditors of the Company since more than ten years cannot be re-appointed as the Statutory Auditors for the year 2017-18.

In view of the said provisions of the Companies Act, 2013, the Company has approached M/s. Chirag R. Shah & Associates, Chartered Accountants (Firm Registration Number- 118791W) for their appointment as Statutory Auditors of the Company. They have consented to act as the Statutory Auditors of the Company and have also given the confirmation to the effect that their appointment, if made by the Company would be within the limits prescribed under Section 139 of the Companies Act, 2013.

Accordingly, a resolution seeking members' approval for their appointment as Statutory Auditors of the Company for the period of 5 consecutive years from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the financial year 2022 is proposed. The Board recommends passing of the proposed resolution.

AUDITORS' OBSERVATIONS:

With regard to the observation of auditors relating to:-

Non provision of the option loss including interest, the management is of the opinion that the said liability is of contingent nature and for the same, legal matter is pending at DRT Mumbai. In view of the same, it is not recognized as the liability and hence no provision has been made for the option loss and interest thereon.

DISCLOSURE OF AUDIT COMMITTEE:

The Audit Committee of the Company as on 31st March, 2017 consists of following Directors as its members:

1. Shri Haresh Shah – Chairman
2. Shri Bhupendra Mehta – Member
3. Shri Rajendra Shah - Member

VIGIL MECHANISM :

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower Policy. Through this policy Directors,

Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

The vigil mechanism / whistle blower policy is also available on the website of the Company www.architorg.com.

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure I** which is attached to this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall affect the going concern status of the Company's operations as on date of this report.

INDUSTRIAL RELATIONS:

The Company has maintained cordial relations with the employees of the Company throughout the year. The Directors wishes to place on record sincere appreciation for the services rendered by the employees of the Company during the year.

The Company has not received any complaint under the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENT:

The Board is thankful to its bankers for their continued support and assistance, which has played important role in progress of the Company.

Your Directors places on records the contribution of employees of the Company at all levels and other business associates for their commitment, dedication and respective contribution to the Company's operations during the year under review.

**BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.**

**PLACE : Ahmedabad
DATE: August 12, 2017**

**(KANDARP K. AMIN)
Chairman & Whole Time Director
DIN: 00038972**

ANNEXURE I

Details of Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo:

(A) Conservation of energy:		
(i)	the steps taken or impact on conservation of energy;	The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy The office area is designed in such a way that during day time not much artificial lighting is necessary in the office.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	N.A.
(iii)	the capital investment on energy conservation equipments	Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

(B) Technology Absorption:

(i)	the efforts made towards technology absorption;	Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	It improves the quality of company's products being manufactured and reduces the cost of production.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year:-	N.A.
	(a) the details of technology imported;	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N.A.
(iv)	the expenditure incurred on Research and Development	NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange earnings equivalent to ` 2109.53 (Previous Year ` 2349.75 Lacs)

Out go of foreign exchange equivalent to ` 20.15 Lacs (Previous Year ` 20.57 Lacs).

**BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.**

**PLACE : Ahmedabad
DATE : August 12, 2017**

**(KANDARP K. AMIN)
Chairman & Whole Time Director
DIN: 00038972**

Annexure II
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments:

The Company is primarily engaged in the business of manufacturing and selling of various chemical products. Industry wise domestic utilization rates are expected to reach high levels of 90 % by the end of 2018, given the healthy growth in the end-user market.

The Company has capacity to withstand in the market and face the stiff competition prevailing in the chemical business market. The financial year 2016-17 has been good for our Company.

Opportunities and Outlook:

The Company is optimistic about its growth prospectus in the future. The Company has been concentrating on building brand image in the market.

The Company is facing stiff competition from various chemicals companies in domestic market. However, Company is well positioned to leverage the opportunities to manage the challenges that have arisen in domestic market.

Outlook:

The Company expects to increase its market share in the existing market by increasing its product range through new product launches, especially in pharma industry, expanding its geographical coverage in more regions and undertaking large job contracts. We are cautiously optimistic of our prospects and believe that the year will go a long way in stabilizing our growth path. The Company also concentrates on adding new products to its existing product range. The Company also puts more efforts in R & D activities, reduction in process cycles, and improvement in existing process etc. The company is also diversifying in to pharma line, by importing bulk drugs and marketing in local market. Our Company has a well-established market of its own. The Directors are actively connected with the customers. Major customers of the Company include several large Indian and International companies who are engaged in the Agrochemical Manufacturing Sector, Pharmaceuticals Manufacturing Sector and Cosmetics Manufacturing Sector.

In order to expand Companies current manufacturing operations, the Company is in the process of establishing a new manufacturing facility at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India ("Bhavnagar Facility") on a land area admeasuring 56,656 sq. mtrs. In this regard, Company has purchased the land and has started construction of the proposed plant. The Bhavnagar Facility will add to the production capacity of Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA) and will add Chloro Acetyl Chloride (CAC) as well as Polyaluminium Chloride (PAC) to Company's product portfolio.

Risk and Concerns:

Company is facing competition from various small-scale manufacturers in certain products. Manufacturing cost and administrative costs are also increasing day by day. But Company is equipped to meet the challenges by better marketing tactics and effective management of cost and expenses.

The Company is also required to follow and maintain the norms laid down by Gujarat Pollution Control Board (GPCB) for discharge of its effluents. The Company is adhering to the norms laid down by GPCB and has spent a large amount of funds on changing the old machinery and erecting new machines which adhere to the new stringent laws of GPCB.

Internal Control Systems and their adequacy:

The Company has an adequate system of Internal Control relating to purchase of stores, raw materials, plant & machineries, equipments & various components and for the sale of goods commensurate with the size and nature of business of the Company.

The system of Internal Control of the Company is adequate keeping in mind the size and complexity of your Company's business. Systems are regularly reviewed to ensure effectiveness.

Financial Performance:

Financial Performance with respect to Operational Performance is discussed in the main part of the Report. Operational expenditures have also increased because of the increased financial commitments.

Material Developments in Human Resources / Industrial Relations:

Material Developments in Human Resources / Industrial Relations:

The Chemical industry is knowledge driven, considering this aspect we continue to build our team with high quality talent. The Company is putting thrust on providing training both in-house and outside. The key personnel are technically qualified and fully trained to run chemical plants.

The Company maintains cordial & harmonious relation with its employees.

New Product Developing:

Company has developed in house quality products of SMCA powder in to crystal form for the first time in Indian market. This product is developed by Mr. Archit Amin, who has studied in U.S.A. This will fetch good business in export markets with better profitability.

We have developed a new product in adhesives & sealants used for residential & commercial buildings with latest technical knowhow & knowledge.

PLACE : Ahmedabad
DATE : August 12, 2017

BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.
(KANDARP K. AMIN)
Chairman & Whole Time Director
DIN: 00038972

Annexure III

CORPORATE GOVERNANCE REPORT

1) Company's Philosophy on Code of Corporate Governance.

The Company believes that good corporate governance leads to corporate growth and long term gain in shareholders' value. The spirit of Corporate Governance has been prevailing in the Company. The Company is committed to maintain the highest standard of corporate governance in its conducts towards shareholders, employees, customers, suppliers and other stakeholders.

Our focus on sustainable growth, productivity improvement, commitment to quality and safety in operations is unrelenting.

2) Board of Directors.

Composition:

The Board of Directors consists of five Directors of whom Shri Kandarp K. Amin is the Chairman and Whole Time Director and Smt. Archana K. Amin is a Whole - Time Director of the Company. The composition of Board of Directors is in compliant with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Out of the five Directors on the board, three Directors are Independent Directors.

Board meetings:

During the year, Fourteen Board Meetings were held on 30-05-2016, 15-07-2016, 13-08-2016, 24-09-2016, 01-10-2016, 14-10-2016, 20-10-2016, 11-11-2016, 01-02-2017, 09-02-2017, 13-02-2017, 22-02-2017, 23-03-2017 and 24-03-2017. The Company has observed the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding meeting of Board of Directors and that the time gap between two consecutive board meetings was not more than one hundred and twenty days.

The composition of the Board and the attendance of Directors at the Board Meetings during the year and at the last Annual General Meeting and also number of other directorship and committee Memberships are given below:

Sr.	Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	@No. of other Directorship in private companies at the year end)	*No. of Committee Membership/ Chairmanship in other domestic companies at the year end	
						Member	Chairperson
1.	Shri Kandarp Amin	Whole Time Director/ Executive	14	Yes	1	-	-
2.	Smt. Archana Amin	Whole Time Director / Executive	14	Yes	-	-	-
3.	Shri Bhupendra Mehta	Independent & Non-Executive Director	14	Yes	-	-	-
4.	Shri Haresh Shah	Independent & Non-Executive Director	14	Yes	-	-	-
5.	Shri Dipesh Kotak Ceased to be a Director w.e.f. 01-10- 2016.	Independent & Non-Executive Director	0	No	-	-	-
6.	Shri Rajendra Shah Appointed as Independent Director w.e.f. 15-07-2016.	Independent Non-Executive Director	11	Yes	3	3	2

Note:

@ Excludes alternate Directorships / Directorship of Private Limited Companies, Foreign Companies and Companies covered under Section 8 of the Companies Act, 2013.

* under this column, member/Chairperson of Audit Committee and Stakeholders Relationship Committee only is considered.

Shri Kandarp K. Amin, Chairman and Whole Time Director is Spouse of Smt. Archana K. Amin, Whole Time Director of the Company. Apart from that none of the other Directors are related to each other in any way.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the year under review. None of Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors.

The Directors are presented with the extensive information on vital matters affecting the working of the Company and risk assessment and mitigation procedure. Among others, this includes:

1. Operating plans, capital budget and updates and reviews thereof,
2. Quarterly results of the company and business segments,
3. Opportunities of expansion, new projects, acquisition ,
4. Proposal for diversification, investments, disinvestments, restructuring,
5. Compliance of listing requirements,
6. Minutes of committee meetings.

Shareholding of Non-Executive Directors as on 31st March, 2017 is as follows:

Name of the Directors	Number of Equity Shares
Shri Bhupendra Mehta	100
Shri Haresh Shah	100
Shri Rajendra Shah	NIL
*Shri Dipesh Kotak	NIL

*** ceased to be the Director w.e.f. 01.10.2016.**

The policy of familiarization programme of Independent Directors of the Company is available on the website of the Company i.e. www.architorg.com

3) Audit Committee

As required under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted an Audit Committee consisting of following Directors as Members of the Committee:

Name of Audit Committee Members	Category	No. of Meetings held	No. of Meetings attended
Shri Haresh Shah, Chairman	Independent Director	6	6
Shri Bhupendra Mehta, Member	Independent Director	6	6
Shri Rajendra J. Shah, Member (Appointed as Member w.e.f. 01.10.2016)	Independent Director	6	4
Shri Dipesh Kotak, Member (Ceased to be Member w.e.f. 01.10.2016)	Independent Director	6	2

The composition of Committee is in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, 6 (Six) Committee Meetings were held on 30-05-2016, 13-08-2016, 14-10-2016, 11-11-2016, 09-02-2017 and 13-02-2017 in which required quorum was present.

The functions of Audit Committee as outlined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as mentioned below:

Brief description of Terms of Reference:

1. To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board and to oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible;
2. The recommendation for appointment, remuneration and terms of appointment of Auditors of the company;
3. To review and monitor the Auditors independence, and performance, and effectiveness of audit process;

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- To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism;
- Scrutiny of loans, advances and investments, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto;
- To carry out any other function that relates to accounts and audit of the company.

The time gap between any two consecutive committee meetings was less than 120 days. The audit committee adheres to the SEBI guidelines in terms of quorum of its meetings, functioning, role and powers as also those set out in the Companies Act, 2013.

4) Nomination and Remuneration Committee

As required under the provisions of Companies Act, 2013, read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted the Nomination and Remuneration Committee consisting of following Directors as Members of the Committee:

Name of Nomination and Remuneration Committee Members	Category	No. of Meetings held	No. of Meetings attended
Shri Hareesh K. Shah, Chairman	Independent Director	3	3
Shri Bhupendra V. Mehta, Member	Independent Director	3	3
Shri Rajendra J. Shah, Member (Appointed as Member w.e.f. 01.10.2016)	Independent Director	3	1
Shri Dipesh Kotak, Member (Ceased to be Member w.e.f. 01.10.2016)	Independent Director	3	2

During the year 3 (three) committee meetings were held on 15-07-2016, 01-10-2016 and 24-03-2017.

Brief description of Terms of Reference is as under:

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
- To formulate the criteria for determining qualifications, positive attributes and independence of a director;
- To recommend to the Board, a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Accordingly Committee reviews the remuneration package of the Whole time Directors of the Company and recommends suitable remuneration package / revision to the Board, in accordance with the guidelines laid out by the statute.

Performance Evaluation:

The Performance of the Independent Director is evaluated based on the criteria such as his knowledge, experience, integrity, expertise in any area, number of Board / Committee meetings attended, time devoted to the Company, his participation in the Board / Committee meetings etc. The Performance evaluation of the Independent Directors was carried out by the Board and while evaluating the performance of the Independent Directors, the Director who was subject to the evaluation did not participate.

Remuneration Policy:

In accordance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee recommended the remuneration policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees which was approved by the Board and is annexed with the Directors' Report .

Details of remuneration paid for the year ended on 31-03-2017.

Name	Position held During the period	Salary and Allowances In lacs	Perquisites
Shri. Kandarp K Amim	Whole-time Director	19.20	As per the approval of the shareholders and as per the policy of Company
Smt. Archana K. Amin	Whole -time Director	21.00	

Service Contract and Notice Period: The appointment of Shri Kandarp K. Amin and Smt. Archana K. Amin as Whole Time Directors of the Company is for the 3 years commencing from 01-04-2017 to 31-03-2020, terminable by six months notice in writing by either side.

There were not any performance linked incentives paid to Whole-time Directors. The Company has not formulated any scheme for giving any stock options to the employees. Hence no stock options have been granted to the Managing Director and Executive Directors during the year ended on 31-03-2017.

The Company has not paid sitting fees to any Independent Directors and the Company does not have any pecuniary relationship with its non-executive Directors.

5) Stakeholders Relationship Committee

As required under the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted Stakeholders Relationship Committee which looks in to matter of redressing investor / shareholders grievances, investor complaints, approves transfer and transmission of shares; authorizes issue of duplicate share certificates and generally deals with all matters in connection with shares issued by the Company from time to time.

Name and Designation of Compliance Officer:

Mrs. Ami Suthar – Whole -Time Company Secretary and Compliance Officer.

The details of composition of Committee and meetings are as under:

Name of Stakeholders Relationship Committee Members	Category	No. of Meetings held	No. of Meetings attended
Shri Bhupendra Mehta, Chairman	Independent Director	12	12
Shri Kandarp Amin, Member	Executive Director	12	12
Shri Haresh Shah, Member	Independent Director	12	12

The status of the Investors' Complaints during the Financial Year 2016-17 are as under:

Investor Complaints during F Y 2015-16	No. of Complaints
Pending at the beginning of the Financial Year 2016-17	0
Received during the Financial Year 2016-17	1
Disposed of during the Financial Year 2016-17	0
Remaining unresolved at the end of the Financial Year 2016-17	1

6) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

As the Company does not fall under the criteria mentioned in the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to constitute Corporate Social Responsibility Committee.

7) RISK MANAGEMENT COMMITTEE:

The Company has in place a committee known as "Risk Management Committee". The brief terms of reference of the Committee are as under:

Brief description of Terms of Reference:

- To consider, review and recommend the Risk Management Policy, guidelines, processes and practices of the Company.
- To ensure that the Company is taking the appropriate measures to achieve balance between the risk and reward in ongoing and new business activities.
- To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.

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- To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

The Composition of the Committee is as under:

Name of Risk Management Committee Members	Composition
Shri Kandarp Amin, Chairman	Executive Director
Smt. Archana Amin	Executive Director
Shri Bhupendra Mehta	Independent Director

However as per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is not mandatorily required to constitute a Risk Management Committee.

The Board of Directors has framed, approved and implemented risk management policy of the company including identification of element of risk. The Primary purpose of the policy is to review the major risks identified by the Management along with the Mitigation plan, monitoring and reviewing the Company's risk Management plan and to apprise the Board on the risk assessment and minimization process. The Policy is available on the website of the Company www.architorg.com.

8) INDEPENDENT DIRECTORS:

As per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. Independent Directors at their meeting held on 03-04-2017 has reviewed the performance of the Non Independent Directors (Including the Chairman of the Company) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management. All the independent Directors have attended the meeting.

All the Independent Directors meet the criteria of Independence as mandated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

9) Vigil Mechanism Policy:

In accordance with the provisions of the Companies Act, 2013 and the Rules made there under read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism Policy (Whistle Blower Policy) for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy, which also provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism Policy is devised in such a manner that would enable the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. Also the employees of the Company have not been denied the access to the Audit Committee to report the genuine concern or grievance.

The Vigil Mechanism Policy is made available on the website of the Company www.architorg.com.

10) Code of Fair Disclosure:

The Board of Directors has laid down a Code of fair Disclosure as required under SEBI (Prohibition of Insider Trading Regulations), 2015. This code is applicable to all the Promoters, Directors, and Connected persons (as mentioned in the Code).

The Code of Conduct is made available on the website of the Company www.architorg.com

11) General Body Meetings

Annual General Meetings held in last three financial years were as under :-

Annual General Meeting:

Financial Year ended	Date	Time	Venue
31-03-2016	16-08-2016	11.30 a.m.	Hotel Crown, Nr. Choice, C.G. Road, Navrangpura, Ahmedabad - 380009
31-03-2015	10-09-2015	11.00 a.m.	Royal Inn Restaurant 1st Floor, Nirman Complex, Opposite Havmor Restaurant, Stadium Road, Navrangpura, Ahmedabad - 380009
31-03-2014	29-09-2014	11.00 a.m.	Royal Inn Restaurant 1st Floor, Nirman Complex, Opposite Havmor Restaurant, Stadium Road, Navrangpura, Ahmedabad - 380009

No Extra Ordinary General Meeting was held during the year.

No Special resolutions were passed through Postal ballot last year. At the forthcoming Annual General Meeting there is no agenda that needs approval by way of Postal Ballot.

The following are the Special Resolutions passed at General Meetings held in the past 3 financial years:

Annual General Meeting (AGM)	Summary
AGM 2016	<ol style="list-style-type: none"> Increase in Authorized Share Capital of the Company. Create, offer, issue and allot Equity Shares on Right Basis to the existing Equity Shareholders of the Company. Adoption of new set of Articles of Association of the Company.
AGM 2014	<ol style="list-style-type: none"> Approval for borrowing fund u/s. 180(1)(c) of the Companies Act, 2013. Authority to create mortgage/charge on behalf of Company u/s 180(1)(a) of Companies Act, 2013.

Disclosures

Related party transactions during the year have been disclosed as required under applicable Accounting Standard. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the Company's interest.

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company i.e. www.architorg.com.

In preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

The Company has complied with the requirements of regulatory authorities and no strictures / penalties have been imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matters related to the capital market during last 3 years.

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks. The Company has laid down the procedures to inform the Board members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

The Company's code of conduct has clearly laid down procedures for reporting unethical behavior, actual or suspected fraud or violation of the ethics policies. No employee of the company was denied access to the Audit Committee.

Mandatory/ Non-Mandatory Requirements:

During the year the Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has during the financial year ended on 31.03.2017 has not adopted any non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with corporate governance requirements specified in regulation 17 to 27 and clause (b) to (i) of Sub regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements (Regulations), 2015.

12) Means of Communication

A. Financial Results:

The Quarterly, half yearly and Annual Results are published in widely circulated national and local dailies such as Western Times, Gujarati and English Edition and are displayed on the website of the Company www.architorg.com.

B. News Releases, Presentations etc:

Official News releases, press releases and presentation made to the Analysts, institutional investors etc. (if any) are displayed on the website of the Company www.architorg.com.

C. Website:

The Company's Website www.architorg.com contains a separate dedicated section namely "Investors' Relations" where the useful information for the Shareholders is available.

D. The Management Discussion & Analysis forms part of the Annual Report, which is posted to all the members of the Company.

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13) General Shareholder Information

Day, Date, time and venue of AGM	Saturday, September 23, 2017 at 10.00 A.M. at ATMA Hall, Ashram Rd., Opp. City Gold, Ashram Road, Ahmedabad.
Financial Year	Financial year of the Company commence from 1 st April, 2016 and ends on 31 st March, 2017.
Listing on Stock Exchanges	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Listing Fees	Company has paid listing fees to BSE Limited.
ISIN No.	For fully paid shares: INE078I01011 For Partly paid share: IN9078I01019
Scrip Code	For fully paid Shares: 524640 For Partly paid Shares: 890142
Registered Office	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330.
Dividend Payment Date	Not Applicable
Compliance Officer	Ms. Ami Suthar
Registrar and Share Transfer Agent	LINK INTIME INDIA PVT. LTD. 5 th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C G Road, Navrangpura, Ahmedabad - 380009.

14) Share price on BSE Ltd. was ₹ 47.70 Per Share as on 31st March, 2017.

The details of market price data-high & low during the reporting period is as under:

Sr.No.	Month	High (In ₹)	Low (In ₹)
1.	April '16	34.80	28.50
2.	May '16	36.35	25.00
3.	June '16	33.45	23.65
4.	July '16	29.40	25.25
5.	August '16	30.00	24.30
6.	September '16	47.80	30.30
7.	October '16	77.45	37.10
8.	November '16	93.65	54.25
9.	December '16	78.80	58.00
10.	January '17	87.50	66.05
11.	February '17	99.70	38.50
12.	March '17	49.80	34.75

15) Financial Calendar 2017-2018 (tentative)

Annual General Meeting	on or before 30 th September, 2017
Results for quarter ending June 30, 2017	on or before extend period 14 th September, 2017
Results for quarter ending September 30, 2017	on or before extend period 14 th December, 2017
Results for quarter ending December 31, 2017	on or before 14 th February, 2018
Results for year ending March 31, 2018	on or before 30 th May, 2018

16) Distribution of Shareholding as on 31-03-2017:

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	3022	75.35	870109	5.79
501 - 1000	572	14.26	455543	3.02
1001 - 2000	240	5.98	356340	2.37
2001 - 3000	70	1.75	176605	1.17
3001 - 4000	21	0.52	73081	0.49
4001 - 5000	21	0.52	95565	0.63
5001 -10000	26	0.65	184137	1.22
10001 and above	39	0.97	12851920	85.31
Total	4011	100.00	15,06,33,000	100.00

17) Pattern of Shareholding as on 31-03-2017:

Sr. No	Category	No. of Shares	(%)
1.	Promoters & Promoter group	76,92,205	51.07
2.	Bodies Corporate	1,79,353	1.19
3.	NRIs (Repatriable)	61,584	0.41
4.	NRI (Non Repatriable)	1,500	0.01
5.	Individuals / HUF	70,66,649	46.91
6.	Clearing Members	61,809	0.41
	TOTAL	1,50,63,300	100.00

18) Dematerialization of Shares, Registrar & Transfer Agent & Share Transfer System.**(i) Share Transfer System**

The process of transfer / transmission / transposition etc. of equity shares in physical form including dispatch of the share certificates is completed within a period of 15 days if the documents are in order in all respects.

(ii) Dematerialization of shares, Registrar & Transfer system:

The equity shares of the Company are available for dematerialization through National securities depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

LINK INTIME INDIA PRIVATE LIMITED, having its office at 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C G Road, Navrangpura, Ahmedabad – 380009 as Registrar and Share Transfer Agents being a Common Agency for Physical and Electronic modes.

1,38,05,916 equity shares comprising of 91.65 % of the total equity shares of the Company are in dematerialised form.

(iii) Investors Correspondence:

All shareholders queries are sent to the Company at its Registered office at Plot No. 25/9-A, Phase III, G.I.D.C. Naroda, Ahmedabad - 382 330 or to the Registrar & Transfer Agent as aforementioned address.

19) Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practicing Company Secretaries carry out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised from (held with NSDL and CDSL) and total number of shares in physical form.

20) Plant Location

The Company's plant is located at 25/9-A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330.

21) CEO/CFO Certification

The CEO / CFO of the Company has given certification on the financial reporting and internal controls to the Board in terms of SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015. The CEO/CFO has also given quarterly certification on financial results to the Board in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ARCHIT ORGANOSYS LIMITED

22) Declaration for Compliance of Code of conduct:

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and according to the information provided/available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2016-2017. The Code of Conduct is also posted on the website of the Company i.e www.architorg.com.

**FOR AND ON BEHALF OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED**

**Date : August 12, 2017
Place : Ahmedabad**

**(KANDARP K. AMIN)
Chairman & Managing Director
DIN: 00038972**

AUDITORS' CERTIFICATE

To,
The Members,
ARCHIT ORGANOSYS LIMITED

We have examined the compliance of conditions of Corporate Governance by **ARCHIT ORGANOSYS LIMITED** for the year ended 31st March, 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Stakeholders Relationship Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For G. K. Choksi & Co.
Chartered Accountants

**Date: August 12, 2017
Place: Ahmedabad**

(SANDIP PARIKH)
Partner
Membership No. 40727

Annexure IV

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:					
i	CIN	L24110GJ1993PLC019941			
ii	Registration Date	4 th August, 1993			
iii	Name of the Company	ARCHIT ORGANOSYS LIMITED			
iv	Category/Sub-category of the Company	Company Limited by shares / India Non Government Company			
v	Address of the Registered office & contact details	PLOT NO 25/9-A PHASE-III GIDC NARODA, AHMEDABAD - 382330			
vi	Whether listed company	Yes			
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PVT. LTD. 5th floor, 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Near XT Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad - 380009 Ph. No.: 079-26465179 E mail:ahmedabad@linkintime.co.in			
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10% or more of the total turnover of the company shall be stated					
SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company		
1	Mono Chloco Acetic Acid	24119	44.31%		
2	Ethyle Acetate	24119	16.98%		
III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES					
Sr. No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
N.A.					

ARCHIT ORGANOSYS LIMITED

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

i) Category - wise share holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1359121	1000	1360121	26.93	7692205	0	7692205	51.07	24.14
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	1359121	1000	1360121	26.93	7692205	0	7692205	51.07	24.14
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter(A)=(A)(1)+(A)(2)	1359121	1000	1360121	26.93	7692205	0	7692205	51.07	24.14
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	0	0	0	0	0	0	0	0	0
c) Cenntral govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	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 corporates									
i) Indian	5558	100000	105558	2.09	79353	100000	179353	1.19	-0.90
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	346928	1127400	1474328	29.19	872746	1081784	1954530	12.98	-16.22
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	2035647	0	2035647	40.31	5034115	21000	5055115	33.56	-6.75
c) Others (specify)									
Hindu Undivided Family	4856	0	4856	0.10	57004	0	57004	0.38	0.28
NON RESIDENT INDIANS (REPAT)	603	54400	55003	1.09	7184	54400	61584	0.41	-0.68
NON RESIDENT INDIANS (NON REPAT)	689	0	689	0.01	1500	0	1500	0.01	0.00
CLEARING MEMBER	13598	0	13598	0.28	61809	0	61809	0.41	0.13
Director or Director's relatives	0	200	200	0.00	0	200	200	0.00	0.00
Total Public Shareholding									
(B)=(B)(1)+(B)(2)	2407879	1282000	3689879	73.07	6113711	1257384	7371095	48.93	-24.14
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	3767000	1283000	5050000	100.00	13805916	1257384	15063300	100.00	0.00

(ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Kandarp Amin	714360	14.15	0	3571295	23.71	0	9.56
2	Archana Amin	597296	11.83	0	2985515	19.82	0	7.99
3	Archit Amin	46400	0.92	0	529200	3.51	0	2.59
4	Suchit Amin	2065	0.04	0	606195	4.02	0	3.98
	Total:	1360121	26.93	0	7692205	51.07	0	24.14

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl. No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	KANDARP AMIN				
	At the beginning of the year	714360	14.15		
	Allotment on 24th March, 2017	2856935	18.97	3571295	23.71
	At the end of the year			3571295	*23.71
2	ARCHANA AMIN				
	At the beginning of the year	597296	11.83		
	Allotment on 24th March, 2017	2388219	15.85	2985515	19.82
	At the end of the year			2985515	*19.82
3	ARCHIT AMIN				
	At the beginning of the year	46400	0.92		
	Allotment on 24th March, 2017	482800	3.21	529,200	3.51
	At the end of the year			529,200	*3.51
4	SUCHIT KANDARP AMIN				
	At the beginning of the year	2065	0.04		
	Allotment on 24th March, 2017	604130	4.01	606195	4.02
	At the end of the year			606195	*4.02

ARCHIT ORGANOSYS LIMITED
**(iv) Shareholding Pattern of top ten Shareholders
(other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Sanjaykumar R. Patel				
	At the beginning of the year	500000	9.90		
	Allotment on 24th March, 2017	1000000	6.64	1500000	9.96
	At the end of the year			1500000	*9.96
2	Munjal M.Patel				
	At the beginning of the year	237500	4.70		
	Allotment on 24th March, 2017	475000	3.15	712500	4.73
	At the end of the year			712500	*4.73
3	Mansi M.Patel				
	At the beginning of the year	237500	4.70		
	Allotment on 24th March, 2017	475000	3.15	712500	4.73
	At the end of the year			712500	*4.73
4	Sagar S. Shah				
	At the beginning of the year	237500	4.70		
	Allotment on 24th March, 2017	475000	3.15	712500	4.73
	At the end of the year			712500	*4.73
5	Rakesh R. Patel				
	At the beginning of the year	500000	9.90		
		0	0	500000	3.32
	At the end of the year			500000	*3.32
6	Shweta S. Shah				
	At the beginning of the year	237500	4.70		
		0	0.00	237500	1.58
	At the end of the year			237500	*1.58
7	Arwa Umesh				
	At the beginning of the year	0	0.00		
	Purchased	25000	0.50	25000	0.50
	Allotment on 24th March, 2017	100156	0.66	125156	0.83
	At the end of the year			125156	*0.83
8	Atul Parikh				
	At the beginning of the year	0	0.00		
	Allotment on 24th March, 2017	100000	0.66	100000	0.66
	At the end of the year			100000	*0.66
8	Southern India Depository Services Pvt Ltd				
	At the beginning of the year	100000	1.98		
	At the end of the year			100000	*0.66
9	Shakuntala Shah				
	At the beginning of the year	18382	0.36		
	Allotment on 24th March, 2017	40000	0.27	58382	0.39
	At the end of the year			58382	*0.39
10	Umesh Chamdia				
	At the beginning of the year	0	0.00		
	Purchased	10630	0.21	10630	0.21
	Allotment on 24th March, 2017	42587	0.28	53217	0.35
	At the end of the year			53217	*0.35

(v) Shareholding of Directors & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	KANDARP AMIN				
	At the beginning of the year	714360	14.15		
	Allotment on 24th March, 2017	2856935	18.97	3571295	23.71
	At the end of the year			3571295	*23.71
2	ARCHANA AMIN				
	At the beginning of the year	597296	11.83		
	Allotment on 24th March, 2017	2388219	15.85	2985515	19.82
	At the end of the year			2985515	*19.82
3	BHUPENDRA MEHTA				
	At the beginning of the year	100	0.00		
	No change during the year	0	0.00		
	At the end of the year			100	0.00
4	HARESH SHAH				
	At the beginning of the year	100	0.00		
	No change during the year				
	At the end of the year			100	0.00
5	Rajendraprasad Shah				
	At the beginning of the year	0	0	0	0
	No change during the year	0	0	0	0
	At the end of the year			0	0
6	Ami Suthar				
	At the beginning of the year	0	0	0	0
	No change during the year	0	0	0	0
	At the end of the year			0	0
7	Bharatkumar Shrimali				
	At the beginning of the year	0	0	0	0
	No change during the year	0	0	0	0
	At the end of the year			0	0

*At the end of the year, Total shares of the Company were 1,50,63,300 Equity Shares, pursuant to allotment of Equity Shares on 24th March, 2017.

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V INDEBTEDNESS

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

(Amount in `)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	77,697,246	32,300,000	-	109,997,246
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	77,697,246	32,300,000	-	109,997,246
Change in Indebtedness during the financial year				
Additions	228,565,591	-	-	228,565,591
Reduction	-	(22,300,000)	-	(22,300,000)
Net Change	228,565,591	(22,300,000)	-	206,265,591
Indebtedness at the end of the financial year				
i) Principal Amount	306,262,837	10,000,000	-	316,262,837
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	306,262,837	10,000,000	-	316,262,837

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl. No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross salary	Kandarp Krishnakant Amin	Archana Kandarp Amin	
(a)	Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	1,920,000	2,100,000	4,020,000
(b)	Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others (specify)	-	-	-
5	Others, please specify			
	Total (A)	1,920,000	2,100,000	4,020,000
	Ceiling as per the Act (Within the limits prescribed under Schedule V)	8,400,000	8,400,000	

B. Remuneration to other directors:

Sl.No	Particulars of Remuneration	Name of the Directors
1	Independent Directors	None
(a)	Fee for attending board committee meetings	
(b)	Commission	
(c)	Others, please specify	
	Total (1)	
2	Other Non Executive Directors	
(a)	Fee for attending board committee meetings	
(b)	Commission	
(c)	Others, please specify.	
	Total (2)	
	Total (B)=(1+2)	
	Total Managerial Remuneration	
	Overall Ceiling as per the Act. (Within the limits prescribed under Schedule V for each director)	8,400,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		*CEO	Company Secretary	CFO	Total
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	106,000	236,100	342,100
(b)	Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission as % of profit others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	106,000	236,100	342,100

* Shri Kandarp Amin, Chairman and Whole-Time Director is also Key Managerial Personnel of the Company and his remuneration is shown in VI(A).

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences for the year ended on 31st March, 2017.

For and on behalf of the Board,
For Archit Organosys Limited

Place : Ahmedabad
Date : 12th August, 2017

(Kandarp K. Amin)
Chairman and Whole-time Director
DIN: 00038972

Annexure V

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

In terms of Section 178 of the Companies Act, 2013 read with applicable rules thereunder and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

- I. The following matters of provisions of the Companies Act, 2013 have been included and considered while formulating the Remuneration Policy for the Company.
- (a) Criteria determining the qualifications, positive attributes and independence of a Director.
 - (b) Appointment and removal of Directors, Key Managerial Personnel, Senior Management.
 - (c) Remuneration for the Directors, Key Managerial Personnel, Senior Management and other employees.
 - (d) Evaluation of performance of the Directors of the Company.
 - (e) Scope and Role of the Nomination and Remuneration Committee
 - (f) Disclosures in the Directors' Report

II. OBJECTIVE:

- (1) The key objective of this Policy is to enable a framework that allows attracting and retaining competitive and skilled human resource in the Company and for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations. The policy reviews the compensation package payable to the Executive and Non-Executive Directors, Key Management Personnel, the Senior Management and other employees of the Company.
- (2) When deciding remuneration, the Committee will consider the market scenario, business performance of the Company and the remuneration practices in Industry.

III. REMUNERATION TO NON-EXECUTIVE DIRECTORS:

The general policy of the Board is to provide fees in line with market practice for similar Non-Executive Director roles in the comparable corporate and institutions in India. Fees paid to the Non-Executive Directors also takes account of the Company's complexity, the significant travel and time commitments required for attending Board and other meetings in India and the risk profile of the Company. The Remuneration to the non-executive Directors is as per the provisions of the Companies Act, 2013 and related rules framed there under.

IV. REMUNERATION TO EXECUTIVE DIRECTORS:

Components:

Base Salary
Short-term incentive
Long-term incentive
Retrial Benefits

V. REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES:

Components:

Fixed Remuneration
Annual Allowances
Retrial benefits

VI. CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS DIRECTOR AND IN SENIOR MANAGEMENT:

In accordance with the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee is required to formulate the criteria for determining the qualification, positive attribute and independence of a Director.

The criteria adopted by the Nomination and Remuneration Committee are as under:

Qualification:

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

Positive Attributes:

A person should be the person of high integrity, ethical standards, devote the sufficient time to the Company, and have the required skills, expertise and experience and shall perform duties in a bona-fide manner.

CRITERIA FOR IDENTIFICATION OF PERSONS FOR APPOINTMENT AS INDEPENDENT DIRECTOR:

The criteria adopted by the Nomination and Remuneration Committee are as under:

Qualification:

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the company's business.

Positive attributes:

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

Independence of Independent Director:

An Independent director should meet the requirements of Section 149, Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**FOR AND ON BEHALF OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED**

**Place : Ahmedabad
Date : August 12, 2017**

**(KANDARP K. AMIN)
CHAIRMAN AND WHOLE TIME DIRECTOR
DIN: 00038972**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED on March 31, 2017

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

To,
The Members,
ARCHIT ORGANOSYS LIMITED.
CIN: L24110GJ1993PLC019941
Plot No. 25/9-A, Phase-III,
GIDC Naroda,
Ahmedabad - 382 330

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARCHIT ORGANOSYS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of 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, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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 thereunder;
- 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 (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 -Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any debt securities during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 -Not Applicable as the Company has not bought – back any of its securities during the year under review;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the applicable Standards / Clauses / Regulations of the following:

- i. Secretarial Standards with respect to the Meetings of the Board of Directors and Committee Meetings of the Board (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- ii. The Uniform Listing Agreement entered into by the Company with BSE Limited.

Since the paid up share capital and net worth of the Company was lower than the prescribed limits i.e. ` 10 Crore and ` 25 Crore respectively mentioned Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was not required to comply with the provisions of Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V till March 23, 2017. Subsequently on increase in paid up share capital said exemption was not available to the Company. However the Company has been complying the above stated provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 voluntarily.

During the Audit period under review, the Company has complied with all material aspects of the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that:

During the audit period under review there were no specific laws which were exclusively applicable to the Company / Industry. However, having regard to the Compliance system prevailing in the Company and on examination of relevant documents and records on test - check basis, the Company has complied with the material aspects of the following significant laws applicable to the Company being engaged in the manufacturing activities:

1. Factories Act, 1948;
2. Acts prescribed under prevention and control of pollution;
3. Acts prescribed under Environmental protection.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of Board that took place during the year under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all the Directors to schedule the Board Meetings at least seven days in advance except for the Board meetings which were held in due compliances of law after giving shorter notice. Agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining future information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the meetings of Board of Directors/ Committees of the Company were carried unanimously. We were informed that there were no dissenting views of the members' on any of the matters during the year that were required to be captured and recorded as part of the minutes.

We further report that:

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, 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 general laws, rules, regulations and guidelines such as Labour Laws, the Trade Marks Act, 1999, the Indian Copyright Act, 1957, the Patents Act, 1970.

We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, have not been reviewed in this Audit since the same have been subject to the review by the Statutory Auditor(s) and other designated professionals.

We further report that:

During the Audit period under review, the events / action having major bearing on the Company's affairs in pursuance of the above mentioned laws, rules, regulations, guidelines, standards, etc. are as mentioned below:

1. Increase in Authorised Share Capital of the Company from ` 10 Crore to ` 25 Crore Equity Shares on ` 10/- each.
2. The Company has adopted new set of Articles of Association of the Company after obtaining approval from shareholders.
3. The Equity shares of the Company have been voluntarily delisted from Ahmedabad Stock Exchange Limited (ASE Limited) w.e.f. September 28, 2016.
4. Forfeiture of 28,900 partly paid Equity shares of ` 10/- each on account of non payment of Share allotment/ call monies. The Company has received confirmation letter from BSE Limited to that effect.

ARCHIT ORGANOSYS LIMITED

5. During the audit period under review the Company has come up with rights issue of 1,00,42,200 equity shares at a price of ₹ 25/- per share including share premium of ₹ 15/- per share in the ratio of 2:1. Company has allotted 1,00,42,200 number of shares on March 24, 2017 on which ₹ 12.50 was paid up. (₹ 5/- towards face value and ₹ 7.50 towards share premium.)

The Company has obtained trading approval from BSE Limited for the said shares w.e.f. April 5, 2017.

**FOR M.P. MEHTA & CO.
COMPANY SECRETARIES**

M.P. MEHTA

Proprietor

FCS No. 2413

C P No.: 1941

Date : August 12, 2017

Place : Ahmedabad

Note:

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

ANNEXURE - A

To,

The Members,

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

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

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

**FOR M.P. MEHTA & CO.
COMPANY SECRETARIES**

M.P. MEHTA

Proprietor

FCS No. 2413

C P No.: 1941

Date : August 12, 2017

Place : Ahmedabad

Annexure VII**DISCLOSURE UNDER RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

- i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2017;**

(Amount in `)

Sr. No.	Director	Remuneration	Median Remuneration	Ratio
1.	Shri Kandarp K. Amin	19.20 Lacs	2.44 Lacs	7.87:1
2.	Smt. Archana K. Amin	21.00 Lacs	2.44 Lacs	8.61:1

- ii. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;**

Sr. No.	Key Managerial Personnel	% increase
1.	Shri Kandarp K. Amin, Whole Time Director	18.52%
2.	Smt. Archana K. Amin, Whole Time Director	16.67%
3.	Ms. Ami Suthar, Company Secretary (Appointed w.e.f. 01/10/2016)	10%
4.	Mr. Bharat Shrimali, Chief Financial Officer (Appointed w.e.f. 01/10/2016)	14.44%

- iii. **The percentage increase in the median remuneration of employees in the financial year;**
47.59% increase in the median remuneration of the employees in the financial year
- iv. **The Company has 51 permanent employees on the rolls of company;**
- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

The average increase in salaries of employees other than managerial personnel in 2016-17 was 32.80%. Percentage increase in the managerial remuneration for the year was 10% to 18.52%. Annual increase in remuneration is as per terms of appointment and are in conformity with remuneration policy, industry pattern, qualifications & experience, responsibilities shouldered and individual performance of managerial personnel and other employees.

- vi. **The key parameters for any variable component of remuneration availed by the directors;**

The Whole Time Directors have not availed any variable remuneration components.

- vii. **Affirmation that the remuneration is as per the remuneration policy of the company:**

It is affirmed that the remuneration paid is as per the remuneration policy of the company.

**FOR AND ON BEHALF OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED**

Place : Ahmedabad
Date : August 12, 2017

**(KANDARP K. AMIN)
CHAIRMAN AND WHOLE TIME DIRECTOR
DIN: 00038972**

Annexure – VIII**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.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A
b)	Nature of contracts/arrangements/transaction	N.A
c)	Duration of the contracts/arrangements/transaction	N.A
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A
e)	Justification for entering into such contracts or arrangements or transactions'	N.A
f)	Date of approval by the Board	N.A
g)	Amount paid as advances, if any	N.A
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	As per Annexure
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

(Rs in Lacs.)

Name (s) of the related party	Details					
	Nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
Shri Kandarp K. Amin	Director	Availing services (Payment of Rent)	1 st April, 2016 to 31 st March, 2017	7.80	-	NIL
Smt. Archana K. Amin	Director	Availing services (Payment of Rent)	1 st April, 2016 to 31 st March, 2017	8.40	-	NIL
M/s. Kalindi Impex	Firm in which the Director is Partner	Sales	1 st April, 2016 to 31 st March, 2017	6.79	-	NIL
M/s. Krishna Orgochem	Proprietary firm of Director	Sales	1 st April, 2016 to 31 st March, 2017	20.99	-	NIL
M/s. Kalindi Impex	Firm in which the Director is Partner	Purchases	1 st April, 2016 to 31 st March, 2017	40.25	-	NIL
M/s. Krishna Orgochem	Proprietary firm of Director	Purchases	1 st April, 2016 to 31 st March, 2017	157.46	-	NIL
M/s. Archit Advance Material	Proprietary firm of Director	Purchases	1 st April, 2016 to 31 st March, 2017	0.31	-	NIL
M/s. Adonis Lifecare Private Limited	Private Company in which Director is a Director	Availing of services (Payment of Sales Commission)	1 st April, 2016 to 31 st March, 2017	19.09	-	NIL
Mr. Archit K. Amin	Relative of Whole-Time Directors	Payment of Remuneration	1 st April, 2016 to 31 st March, 2017	15.00	-	NIL
Mr. Suchit K. Amin	Relative of Whole- Time Directors	Payment of Remuneration	1 st April, 2016 to 31 st March, 2017	15.00	-	NIL
Ms. Shimoli A. Amin	Relative of Whole- Time Directors	Payment of Remuneration	1 st April, 2016 to 31 st March, 2017	6.00	-	NIL
Mrs. Manini S. Amin	Relative of Whole- Time Directors	Payment of Remuneration	1 st April, 2016 to 31 st March, 2017	6.00	-	NIL

Appropriate approvals have been taken for related party transactions. No amount was paid as advance.

**FOR AND ON BEHALF OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED**

Place : Ahmedabad
Date : August 12, 2017

**(KANDARP K. AMIN)
CHAIRMAN AND WHOLE TIME DIRECTOR
DIN: 00038972**

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ARCHIT ORGANOSYS LIMITED,
Ahmedabad.

Report on the Financial Statements

We have audited the accompanying financial statements of **ARCHIT ORGANOSYS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The company had entered into derivative contract for sale of foreign currency with HDFC Bank Ltd. in financial year 2008-2009 which has resulted into loss to the tune of ` 1,97,52,367/- against which the sum of ` 55,06,598/- has already been paid to HDFC Bank Ltd. and charged to Statement of Profit and Loss in the aforesaid financial year. Consequent upon adjustment of fixed deposits amounting to ` 23,64,200/- against the balance loss of ` 1,42,45,769/- the liability on account of aforesaid loss, as per bank statement provided up to 31st January, 2013 stands to ` 1,47,07,069/- including interest, which has not been provided for by the company. Such non provision of liability has resulted into non compliance of Accounting Standard 29 issued by Institute of Chartered Accountants of India and also resulted into understatement of current liabilities. Since the interest/charges, if any, for the period from 1st February, 2013 to 31st March, 2017 has not been intimated to company, the impact thereof on profit for the year under review could not be ascertained.

Had the observations made by us in Para above been considered, there would have been profit for the year amounting to ` 8,84,085/- as against reported profit of ` 1,55,91,154/-, current liabilities would have been ` 18,22,06,809/- as against reported current liabilities of ` 16,74,99,740/-.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the matter described in the basis for Qualified Opinion paragraph*, 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 31st March, 2017 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) *Except for the matter described in the basis for Qualified Opinion paragraph*, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 and to our best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer notes 29 and 30 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note 40 to the financial statements.

For G. K. Choksi & Co.

Chartered Accountants

[Firm Registration No. 101895W]

(SANDIP PARIKH)

Partner

Membership No. 40727

Date : 12th May, 2017

Place : Ahmedabad

Annexure - A to the Independent Auditors' Report of even date on financial statements

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to information and explanation given to us, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on such physical verification during the year.
- (iii) The Company has not granted any secured / unsecured loan to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii) of the Order are not applicable to the Company.
- (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 Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2017 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2017 other than stated below:

Name of the Statute	Nature of Dues	Amount in `	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	4,84,820	F.Y. 2012-2013	CIT(A), Ahmedabad

- (viii) According to the information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) The Company has raised moneys by way of further public offer i.e Right offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) According to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For G. K. Choksi & Co.
Chartered Accountants

[Firm Registration No. 101895W]
(SANDIP PARIKH)

Partner

Membership No. 40727

Date: 12th May, 2017
Place: Ahmedabad

Annexure - B to the Independent Auditors' Report of even date on the Financial Statements**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 **ARCHIT ORGANOSYS LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. K. Choksi & Co.

Chartered Accountants

[Firm Registration No. 101895W]

(SANDIP PARIKH)

Partner

Membership No. 40727

Place: Ahmedabad

Date: 12th May, 2017

ARCHIT ORGANOSYS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2017

[Amount in `]

Particulars	Notes	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	2	10 04 22 000	5 03 47 850
Reserves and Surplus	3	<u>16 60 40 417</u>	<u>7 95 16 765</u>
		26 64 62 417	12 98 64 615
Non-Current liabilities			
Long term borrowings	4	25 46 13 787	3 03 74 685
Deferred tax liabilities (Net)	5	1 73 27 057	48 60 074
Long term provisions	6	<u>17 88 649</u>	<u>9 14 054</u>
		27 37 29 493	3 61 48 813
Current liabilities			
Short term borrowings	7	4 61 29 496	7 75 23 968
Trade payables			
Due to Micro, Small and Medium Enterprise	37	1 24 688	38 46 003
Due to Others	8	7 46 49 675	5 79 31 539
Other current liabilities	9	4 22 86 874	1 15 27 311
Short term provisions	10	<u>43 09 007</u>	<u>30 74 599</u>
		16 74 99 740	15 39 03 420
Total		<u>70 76 91 650</u>	<u>31 99 16 848</u>
ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	11	47 77 11 628	6 13 97 951
Intangible assets	12	15 958	0
Capital Work In Progress	13	<u>69 77 520</u>	<u>8 24 91 053</u>
		48 47 05 106	14 38 89 004
Long term - loans and Advances	14	<u>2 36 50 837</u>	<u>85 72 913</u>
Current Assets			
Inventories	15	2 49 17 005	2 78 13 120
Trade receivables	16	11 33 70 752	11 05 68 671
Cash and Bank Balances	17	58 68 331	89 39 472
Short term - Loans & advances	18	5 50 11 254	1 99 58 588
Other current assets	19	<u>1 68 365</u>	<u>1 75 080</u>
		19 93 35 707	16 74 54 931
Total :		<u>70 76 91 650</u>	<u>31 99 16 848</u>
Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP A. PARIKH

Partner

Mem. No. 40727

Place : Ahmedabad

Date : 12th May, 2017

FOR AND ON BEHALF OF THE BOARD
KANDARP K. AMIN

Whole time Director

DIN 00038972

BHUPENDRA V. MEHTA

Whole time Director

DIN 00133677

BHARAT SHRIMALI

Chief Financial Officer

AMI R. SUTHAR

Company Secretary

Place : Ahmedabad

Date : 12th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

[Amount in `]

Particulars	Notes	2016-2017	2015-2016
INCOME			
Revenue from operations	20	48 48 82 821	52 04 62 199
Less : Excise duty		45 69 852	69 26 075
		<u>48 03 12 969</u>	<u>51 35 36 124</u>
Other Income	21	33 84 647	54 57 433
Total Revenue		48 36 97 616	51 89 93 557
EXPENSES			
Cost of materials consumed	22	16 09 47 180	18 09 35 852
Purchase of Stock-in-Trade	23	17 32 87 185	17 52 25 816
Changes in inventories	24	83 95 719	4 45 460
Employees Benefits Expenses	25	2 30 74 289	2 07 68 155
Finance Cost	26	63 94 083	82 83 562
Depreciation and amortization expenses		52 92 903	39 78 269
Manufacturing and other Expenses	27	7 82 48 119	10 61 43 816
Total Expenses		45 56 39 478	49 57 80 930
Profit /(Loss) before Tax		2 80 58 138	2 32 12 627
Tax Expenses			
Current Tax		60 00 000	83 00 000
MAT Credit Entitlement		(60 00 000)	0
Deferred Tax		1 24 66 984	2 53 549
		<u>1 24 66 984</u>	<u>85 53 549</u>
Profit/(Loss) for the year		1 55 91 154	1 46 59 078
Earnings per equity share:			
Basic and diluted	28	3.03	4.62

The accompanying notes are an integral part of the financial statements.

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP A. PARIKH

Partner

Mem. No. 40727

Place : Ahmedabad

Date : 12th May, 2017

FOR AND ON BEHALF OF THE BOARD

KANDARP K. AMIN

Whole time Director

DIN 00038972

BHUPENDRA V. MEHTA

Whole time Director

DIN 00133677

BHARAT SHRIMALI

Chief Financial Officer

AMI R. SUTHAR

Company Secretary

Place : Ahmedabad

Date : 12th May, 2017

ARCHIT ORGANOSYS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	[Amount in `]	
	2016-2017	2015-2016
A. Cash flow from operating activities:		
Profit/(Loss) for the year before taxation and exceptional items	2 80 58 138	2 32 12 627
Adjustments for		
Depreciation and Amortization	52 92 903	39 78 269
Profit/(Loss) on sale of Fixed Assets	7 39 791	(19 503)
Interest Income	(4 19 234)	(6 21 608)
Interest Expenses	<u>63 94 083</u>	<u>82 83 562</u>
Operating profit before working capital changes	4 00 65 681	3 48 33 347
Adjustments for :		
Trade Receivable	(28 02 082)	56 28 431
Loans and Advances	(4 41 30 590)	(1 01 19 394)
Inventories	28 96 115	48 09 788
Trade payables	1 29 96 821	(2 38 94 927)
Other Current Liabilities and Provisions	1 92 78 826	69 15 165
Other Bank Balances	<u>(1 88 292)</u>	<u>(28 277)</u>
Cash generated from operations	2 81 16 480	1 81 44 133
Direct taxes Refund/(paid)	<u>(52 07 471)</u>	<u>(92 24 237)</u>
Net cash from operating activities [A]	<u>2 29 09 008</u>	<u>89 19 896</u>
B. Cash flow from investing activities		
Purchase of fixed assets	(34 89 62 102)	(8 18 66 996)
Sale of Fixed Assets	21 13 306	3 25 000
Interest received	<u>4 25 949</u>	<u>5 38 970</u>
Net cash used in investing activities [B]	<u>(34 64 22 847)</u>	<u>(8 10 03 026)</u>
C. Cash flow from financing activities		
Procurement/(Repayment) of long/ short term borrowings	20 62 65 590	2 03 01 445
Proceeds from issue of equity share capital / Calls-in-arrears	5 02 18 500	2 00 00 000
Proceeds from securities premium	7 07 88 148	4 00 00 000
Interest paid	<u>(63 94 083)</u>	<u>(90 25 910)</u>
Net cash flow from financial activities [C]	<u>32 08 78 155</u>	<u>7 12 75 535</u>
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	<u>(26 35 684)</u>	<u>(8 07 595)</u>
Cash and cash equivalents opening	81 79 092	89 86 687
Cash and cash equivalents closing	55 43 408	81 79 092
Components of cash and cash equivalent		
Balances with scheduled banks	8 58 283	15 93 474
Book Overdraft	0	(6 23 749)
Fixed Deposits	42 64 403	59 09 945
Cash in hand	<u>4 20 722</u>	<u>12 99 422</u>
	<u>55 43 408</u>	<u>81 79 092</u>

Explanatory Notes to Cash Flow Statement

- The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Securities and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered Accountants of India.
- In Part A of the Cash Flow Statements, figures in brackets indicates deductions made from the net profit for deriving the cash flow from operating activities. In part B & part C, figures in brackets indicates cash outflows.
- Figures of the previous year have been regrouped wherever necessary, to confirm to current period presentation.

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP A. PARIKH

Partner

Mem. No. 40727

Place : Ahmedabad

Date : 12th May, 2017

FOR AND ON BEHALF OF THE BOARD

KANDARP K. AMIN

Whole time Director

DIN 00038972

BHARAT SHRIMALI

Chief Financial Officer

BHUPENDRA V. MEHTA

Whole time Director

DIN 00133677

AMI R. SUTHAR

Company Secretary

Place : Ahmedabad

Date : 12th May, 2017

Notes forming parts of accounts**1. Significant Accounting Policies****(a) Basis of preparation of interim financial statements**

- (i) The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply, in all material respects, with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
- (ii) The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reported period. Differences between the actual result and estimates are recognised in the period in which the results are known/ determined.

(c) Fixed Assets

Fixed Assets are stated at their original cost net of cenvat including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.

At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

In accordance with the provisions contained in Schedule II to the Companies Act, 2013, the components of an asset, which have significant cost to total cost of assets and its own useful life, are required to be depreciated separately over its own useful life. Pursuant to such requirement, the company has retained a technical expert to identify such components and based on certificate obtained from such technical expert, the company does not have any such components. Accordingly the company is not required to determine depreciation separately.

(d) Borrowing Costs

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Depreciation

- (i) Depreciation on Tangible Fixed Assets is provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013 read with the relevant notifications issued by the Department of Company affairs.
- (ii) Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.
- (iii) Lease hold land is amortised over the period of lease.

(f) Inventories

- (i) Stock in trade comprising of raw materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks. Value of raw material does not include excise duty, countervailing duty paid to the extent of which CENVAT credit is availed. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Work-in-process is valued at cost to the extent of stage of completion.

- (iii) Stores, spares, consumable and packing materials are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

(g) Revenue Recognition

- (i) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.
- (ii) Export Sales are recognized at invoiced value converted in to reporting currency by applying the exchange rate prevailing on transaction date i.e. Bill of lading date.
- (iii) Export Incentives are accounted for on accrual basis to the extent there is certainty about its ultimate collection.

(h) Foreign Currency Transactions

- (i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions.
- (ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account.
The difference in translation and realised gains and losses on foreign exchange transactions, other than those relating to imported fixed assets are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract.

(i) Retirement Benefits

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) Retirement Benefits being Gratuity is accounted for based on actuarial valuation by the independent valuer.

(j) Excise/Custom Duty

Excise duty has been accounted based on both payments made in respect of goods cleared from factory premises and provision made for manufactured goods lying unsold at year-end in factory premises.

(k) Taxation

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- (iii) MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet and written down or written up to reflect the amount that is reasonably certain to be realized.

(l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

NOTES FORMING PART OF ACCOUNTS

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
2 Share Capital		
(a) Authorised		
2,50,00,000 (P.Y.1,00,00,000) Equity Shares of ` 10/- each	25 00 00 000	10 00 00 000
(b) Issued, Subscribed and fully Paid-up		
50,21,100 (P.Y.50,50,000) Equity Shares of ` 10/- each Fully Paid up	5 02 11 000	5 05 00 000
1,00,42,200 (P.Y.NIL) Equity Shares of ` 10/- each (` 5/- partly paid up)	5 02 11 000	0
Less: Calls In Arrears	0	1 52 150
	<u>10 04 22 000</u>	<u>5 03 47 850</u>

Note :

During the period of five financial years immediately preceding the Balance Sheet date, the company has not:

- (i) allotted any fully paid-up equity shares by way of bonus shares;
- (ii) allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) brought back any equity shares

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2016-2017	2015-2016
At the beginning of the quarter / year	50 50 000	30 50 000
Add		
Shares issued for Cash or Right Issue or Bonus	1 00 42 200	20 00 000
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	<u>1 50 92 200</u>	<u>50 50 000</u>
Less		
Shares bought back / Redemption etc.	28 900	0
As the end of the quarter / year	<u>1 50 63 300</u>	<u>50 50 000</u>

(d) Rights, Preferences and Restrictions

The rights and privileges to equity shareholders are general in nature and defined under the Articles of Association.

Equity Shares : The Company has only class of equity shares having a par value of ` 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

(e) Details of Shareholdings**Shareholders holding more than 5% shares**

Partiuculars	Number of Equity Shares		Percentage (%)	
	As at	As at	As at	As at
	31st March, 2017	31st March, 2016	31st March, 2017	31st March, 2016
Kandarp K.Amin	35 71 295	7 14 360	23.71	14.15
Archana K. Amin	29 85 515	5 97 296	19.82	11.83
Sanjay Kumar Patel	15 00 000	5 00 000	9.96	9.90
Rakesh Patel	0	5 00 000	0.00	9.90

ARCHIT ORGANOSYS LIMITED

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
3 Reserves and surplus		
Security Premium		
Balance as per previous financial statements	4 00 00 000	0
Add: Received during the year	7 53 16 500	4 00 00 000
Less: Utilised During the year (Right Issue Expenses)	45 28 352	0
	11 07 88 148	4 00 00 000
Capital Reserve		
Balance as per previous financial statements	0	0
Add: Additions during the year	1 44 350	0
Less: Utilised During the year	0	0
	1 44 350	0
General Reserves		
Balance as per previous financial statements	1 50 000	1 50 000
Add: Addition during the year	0	0
Less: Utilised During the year	0	0
	1 50 000	1 50 000
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per previous financial statements	3 93 66 765	2 47 08 188
Add : Profit for the year	1 55 91 154	1 46 58 577
Balance available for appropriation	5 49 57 919	3 93 66 765
Less : Appropriations	0	0
Net Surplus / (Deficit)	5 49 57 919	3 93 66 765
Total :	16 60 40 417	7 95 16 765

Partiuculars	Non-current portion		Current maturities	
	2016-2017	2015-2016	2016-2017	2015-2016
Secured				
Term Loan				
Union Bank of India A/c No. 616	7 62 003	15 66 003	8 04 000	8 04 000
Union Bank of India A/c No. 1163	19 78 87 254	0	1 40 50 000	0
Buyers Credit				
Union Bank of India	4 43 21 248	0	0	0
Vehicle Loan				
ICICI Bank Limited	10 85 020	15 81 216	4 96 354	4 49 383
Kotak Mahindra Prime Limited	5 58 262	7 27 466	1 69 200	1 53 743
BMW India Finance Services Pvt. Ltd.	0	0	0	6 91 467
	16 43 282	23 08 682	6 65 554	12 94 593
	24 46 13 787	38 74 685	1 55 19 554	20 98 593
Unsecured				
From Directors	1 00 00 000	2 65 00 000	0	0
	25 46 13 787	3 03 74 685	1 55 19 554	20 98 593
Less: Amount disclosed under the head				
"Other Current Liabilities"	0	0	1 55 19 554	20 98 593
	25 46 13 787	3 03 74 685	0	0

Nature of Security

The Term Loans amounting to ` 15,66,003/- (P.Y. ` 23,70,003/-) from Union Bank of India is secured by way of hypothecation of Plant and Machinery and personal guarantee of directors.

The Term loans amounting to ` 21,19,37,254/- (P.Y. ` NIL) from Union Bank of India is secured by way of hypothecation of plant and machinery created out of project and further secured by factory land and building on plot no. 25/9/B at A Phase III GIDC Naroda, Ahmedabad and Plant and Machinery of the company at 25/9AB Phase.

The Buyers credit amounting to ` 4,43,83,544/- (P.Y. ` NIL) from Union Bank of India is secured by way of hypothecation of plant and machinery created out of project and further secured by factory land and building on plot no. 25/9/B at A Phase III GIDC Naroda, Ahmedabad and Plant and Machinery of the company at 25/9AB Phase.

The Vehicle loans amounting to ` 23,08,836/- (P.Y. ` 36,03,275/-) are secured by Vehicles

Terms of Repayment of Loans

Term Loan

Union Bank of India A/c No. 616

repayable in 56 monthly installments commencing from July,2014. Last Installment due on March, 2019. Rate of interest 13.10% as at period end. (P.Y. 14.15%).

Union Bank of India A/c No. 1163

Repayable in 62 monthly installments in ballooning method commencing from November,2017. Last Installment due on December, 2023. Rate of interest 13.10% as at period end. (P.Y. NIL).

Vehicle Loan

ICICI Bank Limited

Loan is repayable in monthly installments of ` 52,700/- commencing from April,2015 and last installment falls due on February, 2020.

Kotak Mahindra Prime Ltd.

Loan is repayable in monthly installments of ` 19,320/- commencing from January,2016 and last installment falls due on January, 2019.

BMW India Finance Services Pvt. Ltd.

Loan is repayable in monthly installments of ` 80,075/- commencing from February,2014 and last installment falls due on December, 2016.

Unsecured Loan

Unsecured Loan comprising of ` 1,00,00,000/- repayable on or after March, 2018.

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
5 Deferred tax liabilities (Net)		
The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.		
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	2 44 84 597	53 51 000
Deferred Tax Assets		
Disallowance u/s. 43(b) under income tax act, 1961	9 69 575	4 90 926
Unabsorbed Depreciation	<u>61 87 965</u>	<u>0</u>
Net Deferred Tax Liability / (Asset)	<u>1 73 27 057</u>	<u>48 60 074</u>
6 Long term provisions		
For Employee Benefits		
Gratuity	28 01 429	14 84 954
Less : Amount disclosed under the head Short Term Provision	<u>10 12 780</u>	<u>5 70 900</u>
	<u>17 88 649</u>	<u>9 14 054</u>
7 Short term borrowings		
Loans repayable on demand		
Secured		
Working Capital Loan		
From Banks	4 61 29 496	7 17 23 968
Unsecured		
From Directors	0	33 00 000
Intercorporate Deposit	<u>0</u>	<u>25 00 000</u>
Total :	<u>4 61 29 496</u>	<u>7 75 23 968</u>
Nature of Security		
Secured		
The Working Capital Loans amounting to ` 4,61,29,496/- (P.Y. ` 7,17,23,968/-) are secured by Hypothecation of Book Debts, Bills, stock not older than 120 Days. Further it is secured by Factory Land and Building at plot no. 25/9/A and 25/9/B and FDR. Further it is secured by personal guarantee of Directors.		
8 Trade payables - Due to Others		
For Goods and Services		
Related party (Refer Note No. 34)	47 31 892	3 99 300
Others	<u>6 99 17 783</u>	<u>5 75 32 239</u>
	<u>7 46 49 675</u>	<u>5 79 31 539</u>

ARCHIT ORGANOSYS LIMITED

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
9 Other current liabilities		
Current Maturities of Long Term Debt	1 55 19 554	20 98 593
Interest on Borrowings	4 85 741	0
Payable towards Capital Goods	2 32 22 965	52 50 235
Other Payables		
Bank Overdraft	0	6 23 749
Statutory dues	16 57 450	26 28 796
Security Deposit	96 332	2 11 000
Others	13 04 832	7 14 938
	30 58 614	41 78 483
Total :	4 22 86 874	1 15 27 311
10 Short term provisions		
Employee Benefits		
Gratuity	10 12 780	5 70 900
Others		
For Taxation (Net of advance tax)	32 96 227	25 03 699
Total :	43 09 007	30 74 599

11 Tangible Assets

[Amount in `]

Description of Assets	Gross Block at Cost			Depreciation			Net Book Value			
	As at April 01, 2016	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2017	Up to March 31, 2016	For the year	Deletions/ Adjustment during the year(*)	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Land :										
Freehold Land	1 43 87 318	-	-	1 43 87 318	-	-	-	1 43 87 318	1 43 87 318	1 43 87 318
Leasehold Land	55 73 565	-	-	55 73 565	7 57 016	53 686	-	8 10 702	47 62 863	48 16 549
	1 99 60 883	-	-	1 99 60 883	7 57 016	53 686	-	8 10 702	1 91 50 181	1 92 03 867
Factory Buildings	1 56 65 391	13 72 33 129	-	15 28 98 520	54 29 197	8 53 676	-	62 82 873	14 66 15 647	1 02 36 194
Plant and Machinery	3 26 85 446	28 47 08 294	38 48 144	31 35 45 596	91 35 469	26 30 410	13 60 335	1 04 05 544	30 31 40 052	2 35 49 977
Furniture and Fixtures	11 11 270	12 05 549	8 33 081	14 83 738	6 38 080	1 31 024	5 50 691	2 18 413	12 65 325	4 73 190
Vehicles	1 10 78 766	-	-	1 10 78 766	39 46 460	13 08 880	-	52 55 340	58 23 426	71 32 306
Office Equipments	12 85 810	11 29 463	3 21 900	20 93 373	6 08 913	2 70 012	2 39 002	6 39 923	14 53 450	6 76 897
Computers	4 27 596	1 83 200	-	6 10 796	3 02 076	45 173	-	3 47 249	2 63 547	1 25 520
Total :	8 22 15 162	44 59 635	50 03 125	50 16 71 672	2 08 17 211	52 92 861	21 50 028	2 39 60 044	47 77 11 628	6 13 97 951
Previous Year	7 99 95 905	39 79 482	17 60 225	8 22 15 162	1 82 93 671	39 78 269	14 54 729	2 08 17 211	6 13 97 951	-

12 Intangible Assets

[Amount in `]

Description of Assets	Gross Block at Cost			Depreciation			Net Book Value			
	As at April 01, 2016	Additions during the year	Deletions/ Adjustment during the year	As at March 31, 2017	Up to March 31, 2016	For the year	Deletions/ Adjustment during the year	Up to March 31, 2017	As at March 31, 2017	As at March 31, 2016
Accounting Software	-	16 000	-	16 000	-	42	-	42	15 958	-
Total :	-	16 000	-	16 000	-	42	-	42	15 958	-
Previous Year	-	-	-	-	-	-	-	-	-	-

[Amount in `]

13 Capital Work in Progress

Particulars	As at April 01, 2016	Additions during the year	Deduction/ Adjustment during the year	Capitalised	As at March 31, 2017
Factory Building	8 01 08 053	5 71 25 076	-	13 72 33 129	-
Plant And Machinery	23 83 000	28 89 25 925	-	28 43 31 405	69 77 520
Total :	8 24 91 053	34 60 51 001	-	42 15 64 534	69 77 520
Previous Year	46 03 541	7 78 87 512	-	-	8 24 91 053

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
14 Long term loans and advances (Unsecured, considered good unless otherwise stated)		
Capital Advances	1 66 58 404	79 27 530
Security Deposits	9 92 433	6 45 383
MAT Credit Entitlement	60 00 000	0
Total :	<u>2 36 50 837</u>	<u>85 72 913</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL

15 Inventories

(As taken, valued and certified by the Management)

Raw Materials	89 22 977	43 43 531
Stock in Progress	36 32 800	41 24 748
Finished Goods	31 96 114	37 58 266
Stock-in-Trade	7 17 570	86 07 224
Packing Materials	12 42 248	11 53 353
Consumable Stores	10 02 151	1 70 888
Goods In transit	62 03 145	56 55 110
	<u>2 49 17 005</u>	<u>2 78 13 120</u>

Inventory items have been valued considering the significant accounting policy no (f) disclosed in Note no. 1 to these financial statement.

Breakup of Inventories

Raw Material		
Acetic Acid	71 81 622	16 30 089
Chlorine	686	2 71 311
Others	17 40 669	24 42 131
	<u>89 22 977</u>	<u>43 43 531</u>
Stock in Process		
Mono Chlorine Acetic Acid	36 32 800	41 24 748
Finished goods		
Mono Chlorine Acetic Acid	22 74 395	21 72 638
Sodium Mono Chloride Acetic Acid	6 62 507	11 20 330
EDTA Tetra Sodium	1 65 690	41 133
Others	93 522	4 24 165
	<u>31 96 114</u>	<u>37 58 266</u>
Stock-in-Trade		
Ethyle Acetate	3 59 438	20 87 796
Others	3 58 132	65 19 428
	<u>7 17 570</u>	<u>86 07 224</u>

ARCHIT ORGANOSYS LIMITED

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
16 Trade Receivable		
Unsecured, Considered good		
Debts outstanding for the period exceeding six months	28 00 016	62 00 070
Others	<u>11 05 70 736</u>	<u>10 43 68 601</u>
	<u>11 33 70 752</u>	<u>11 05 68 671</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	1 00 87 054
17 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with scheduled banks		
Current / Cash Credit accounts	8 58 283	15 93 474
Fixed Deposits		
With maturity of less than 3 months	42 64 403	59 09 945
Cash in hand	4 20 722	12 99 422
Other Bank balances		
With maturity for more than 3 months but less than 12 months	3 24 923	1 36 631
Total :	<u>58 68 331</u>	<u>89 39 472</u>
Note : The Fixed Deposits with a maturity of less than 3 months includes ` 41,66,542/- (P.Y. ` 58,42,084/-) deposit placed as a margin money.		
18 Short-term loans and advances		
(Considered good unless otherwise stated)		
Advances to Employees	4 04 367	3 20 877
Advance to Suppliers	48 36 080	0
Deposit	12 55 275	0
Others		
Balances with /from revenue authorities	4 08 76 033	1 81 28 653
Prepaid Expenses	8 27 001	3 82 969
Other Recoverable	68 12 498	11 26 089
Total :	<u>5 50 11 254</u>	<u>1 99 58 588</u>
The amount dues by :		
Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL
19 Other Current assets		
Interest accrued on fixed deposits	1 68 365	1 75 080
	<u>1 68 365</u>	<u>1 75 080</u>

[Amount in `]

Particulars	2016-2017	2015-2016
20 Revenue from operations		
Sale of Products		
Manufactured Goods (Inclusive of Excise Duty)	26 95 53 990	33 28 98 728
Stock-in-Trade	19 21 15 506	18 50 59 987
Other Operating Revenue		
Export Incentives	1 02 48 685	13 82 792
Lifting Charges of Chlorine	1 29 64 640	11 20 692
	48 48 82 821	<u>52 04 62 199</u>
21 Other Income		
Interest Income		
From Banks	3 79 897	4 09 284
From Others	39 337	2 12 324
	4 19 234	<u>6 21 608</u>
Foreign Exchnage Fluctuation	24 41 382	32 33 181
Sundry Balance written back (net)	1 35 580	7 83 306
Other Non-Operating Income		
Profit on sale of fixed assets	0	22 381
Miscellaneous	3 88 451	7 96 957
	3 88 451	<u>8 19 338</u>
	33 84 647	<u>54 57 433</u>
22 Cost of Material Consumed		
Raw Materials	14 82 34 653	16 67 03 339
Freight Charges, Inward Clearing and Commission	1 27 12 527	1 42 32 513
Total :	16 09 47 180	<u>18 09 35 852</u>
Breakup of Raw Materials Consumed		
Acitic Acid	8 96 44 357	13 67 58 553
Chlorine	8 18 934	55 39 437
Others	5 77 71 362	2 44 05 349
	14 82 34 653	<u>16 67 03 339</u>
23 Purchase of Stock-in-Trade		
Purchase of Stock-in-Trade	17 32 87 185	17 52 25 816
	17 32 87 185	<u>17 52 25 816</u>
24 Changes in Inventories		
Closing Stock		
Finished Goods	31 96 114	37 58 266
Stock in Progress	36 32 800	41 24 748
Stock-in-Trade	7 17 570	86 07 224
Goods In Transit	62 03 145	56 55 110
	1 37 49 629	<u>2 21 45 348</u>
Opening Stock		
Finished Goods	37 58 266	13 52 147
Stock in Progress	41 24 748	31 27 025
Stock-in-Trade	86 07 224	75 28 410
Goods in Transit	56 55 110	1 05 83 226
	2 21 45 348	<u>2 25 90 808</u>
Decrease / (Increase) in Inventories	83 95 719	<u>4 45 460</u>

ARCHIT ORGANOSYS LIMITED

		[Amount in `]	
Particulars	2016-2017	2015-2016	
25 Employees Benefits Expenses			
Salary, Wages and Bonus	1 79 85 185	1 78 33 940	
Contribution to Provident and other funds	21 75 367	6 73 084	
Staff Welfare and Training Expense	29 13 737	22 61 131	
	<u>2 30 74 289</u>	<u>2 07 68 155</u>	
26 Finance Cost			
Interest on borrowings:			
On term loans and Working Capital	55 58 051	41 58 986	
Vehicle Loans	3 70 742	3 51 268	
Others			
Income Tax	0	2 03 685	
On Unsecured Loan	0	30 36 742	
	<u>59 28 793</u>	<u>77 50 681</u>	
Other Borrowing Cost			
Other ancillary Cost	4 65 290	5 32 881	
	<u>63 94 083</u>	<u>82 83 562</u>	
27 Manufacturing and other Expenses			
Manufacturing Expenses			
Stores & Other Consumables	75 08 307	1 01 63 063	
Power Fuel & Water Charges	93 01 407	83 08 571	
Repairs and Maintenance:			
Plant, Machinery and Other Equipments	7 87 674	17 81 400	
Buildings	13 95 725	32 99 097	
Electrical	3 76 052	19 75 149	
	<u>25 59 451</u>	<u>70 55 646</u>	
Laboratory Expenses	2 62 186	3 32 957	
Job Work Charges	36 000	0	
Pollution Plant Treatment	18 900	2 500	
Excise duty on Finished Goods (Net)	(74 129)	2 67 347	
	<u>1 96 12 122</u>	<u>2 61 30 084</u>	
Establishment Expenses			
Fees and Legal Expenses	45 71 127	41 31 891	
Insurance Charges	5 81 691	6 73 983	
Travelling Expenses	29 98 138	32 35 694	
Rent, Rates & Taxes	19 87 911	18 91 008	
Other Repairs	6 74 489	9 02 308	
Auditor's Remuneration	1 50 000	3 01 500	
Interest to Suppliers	8 48 901	20 23 051	
Miscellaneous Expenditure	81 82 664	62 07 881	
Loss on asset discarded	7 39 791	2 878	
Donation	81 552	1 88 601	
	<u>2 08 16 264</u>	<u>1 95 58 795</u>	
Selling and Distribution Expenses			
Packing Material Consumed	55 19 088	79 97 176	
Sales Commission Expenses	51 55 112	2 17 83 755	
Clearing and Forwarding Expenses	2 26 96 076	2 37 44 921	
Others	44 49 457	69 29 085	
	<u>3 78 19 733</u>	<u>6 04 54 937</u>	
	<u>7 82 48 119</u>	<u>10 61 43 816</u>	
Auditor, Remuneration is made of :			
Statutory and Tax Audit Fees	1 50 000	3 01 500	
	<u>1 50 000</u>	<u>3 01 500</u>	

[Amount in `]

Particulars	As at 31st March, 2017	As at 31st March, 2016
28 Earning per Share		
Net Profit/(Loss) for the year (Amount in `)	1 55 91 154	1 46 59 078
Number of equity shares	1 50 63 300	50 50 000
Number of equity shares (Weighted Average)	51 46 295	31 70 219
Nominal value of the share	10	10
Basic and diluted Earning per Share (`)	3.03	4.62
Note : The Company has issued 1,00,42,200 equity shares of ` 10/- each on Right Basis partly paid at ` 5/- per share on 24 th March, 2017.		
29 Contingent Liabilities and Capital commitments		
Contingent Liabilities (See Note 30 below)		
- Claims not acknowledged by as debt	1,47,07,069	1,47,07,069
- Income tax	4,84,830	4,84,830
Capital Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	2,00,00,000	1,80,00,000
- Other commitments	NIL	NIL
30 (a) The company had entered in to derivatives contracts (for sale of foreign currency) with HDFC bank Limited which have already been concluded in earlier years. The company had incurred loss on such contracts against which the sum of ` 78,70,798/- (including adjustment of fixed deposit amounting to ` 23,64,200/-) have already been paid and charged to Statement of Profit and Loss under the head "Loss on Derivative Contract". The company had also received summons / show cause notice from Mumbai Debt Recovery Tribunal in the month of May, 2009. In response to the same, based on legal advise, the company had filed its reply with appropriate authority. Pending final outcome, the management is of the opinion that the aforesaid liability is of contingent nature and therefore the company has not recognized as liability for the balance loss of ` 1,47,07,069/- including interest up to January, 2013. Further, during the current financial year, HDFC Bank Limited has retained the sum of ` 25,47,700/- out of proceeds of right issues against which the company has initiated legal actions.		
(b) The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ` 4,84,820/- (P.Y. ` 4,84,820/-) which have been made against the company by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such appeal filed by the Company is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the company.		
31 Employee Benefits		
(a) Defined contribution to Provident fund and Employee state insurance		
The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized ` 6,35,380/- (P.Y. ` 3,75,237/-) as expense towards contributions to these plans.		
(b) Defined Contribution Benefit Plans (Gratuity)		
The following table sets out the status of the gratuity scheme non funded plan as at 31 st March, 2017.		
		[Amount in `]
Particulars	2016-2017	2015-2016
Changes in the present value of obligation		
Present value of obligation (Opening)	23,23,472	21,65,871
Interest cost	1,87,272	1,73,270
Past service cost	NIL	NIL
Current service cost	1,90,273	1,96,209
Curtailement Cost / (Gain)	NIL	NIL
Settlement Cost / (Gain)	NIL	NIL
Benefits paid	NIL	NIL
Actuarial (Gain) / Loss	10,02,006	(2,11,878)
Present value of obligation (Closing)	37,03,023	23,23,472

[Amount in `]

Particulars	2016-2017	2015-2016
Changes in the fair value of plan assets		
Present value of plan assets (Opening)	8,38,518	7,73,544
Expected return on plan assets	67,585	61,884
Employers Contributions	8,288	6,662
Actuarial Gain / (Loss)	(12,797)	(3,572)
Employees Contributions	NIL	NIL
Benefits paid	NIL	NIL
Fair Value of Plan Assets (Closing)	9,01,594	8,38,518
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Bank Deposits	NIL	NIL
Debt Instruments	NIL	NIL
Administered by Life Insurance Corporation of India	100%	100%
Others	NIL	NIL
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation as at the year end	9,01,594	8,38,518
Fair value of plan assets as at year end	9,01,594	8,38,518
Funded (Asset)/Liability recognised in the balance sheet	9,01,594	8,38,518
Present value of unfunded obligation as at the year end	28,01,429	14,84,954
Unrecognised past service cost	NIL	NIL
Unrecognised Actuarial (Gains) / Losses	NIL	NIL
Unfunded net liability recognised in the balance sheet	28,01,429	14,84,954
Amount recognized in the balance sheet		
Present value of obligation as at the year end	37,03,023	23,23,472
Fair value of plan assets as at the year end	9,01,594	8,38,518
(Asset) / Liability recognized in the balance sheet	28,01,429	14,84,954
Expenses recognized in the profit & loss account		
Current service cost	1,90,273	1,96,209
Past service cost	NIL	NIL
Interest cost	1,87,272	1,73,270
Expected return on plan assets	(67,585)	(61,884)
Curtailment Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (Gain) / Loss	10,14,803	(2,08,306)
Employee's Contribution	NIL	NIL
Total expenses recognized in the profit and loss A/c.	13,24,763	99,289
Principal actuarial assumption (Rate of Discounting)		
Rate of discounting	7.20%	8.06%
Expected return on plan assets	7.20%	8.06%
Rate of increase in salaries	6.00%	6.00%
Attrition Rate (Employees opting for early retirement)	2.00%	2.00%

The estimates of future salary increases take account of inflation, seniority, promotion and mortality assumption and other relevant factors such as demand and supply in the employment market, considered in actuarial valuation.

32 The Company operates within a solitary business segment i.e. dealing & manufacturing of chemicals, the disclosure requirements of Accounting Standard – 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable.

33 Borrowing Cost

Adhering to significant accounting policy, the company has capitalized the sum of ` 66,10,247/-(P.Y. ` 29,82,307/-) being borrowing cost comprising of Interest on term loans, exchange difference in long term Monetary items, etc of specific asset.

34 Related Party Disclosures

As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(a) List of related parties with whom transactions have taken place during the year and relationship:

Sr. No.	Name of related party	Relationship	
1	Kandarp K. Amin	Key Management Personnel (KMP)	
2	Archana K. Amin		
3	Krishna Orgochem		
4	Adonis Lifecare Private Limited	Enterprise/Entities over which key management personnel or relative of KMP exercise significant influence (other related parties)	
5	Archit Advance Materials		
6	Kalindi Impex		
7	S.D. Agro Organosys		
8	Kalindi Industries		
9	Archit K. Amin		
10	Suchit K Amin		Relative of Key Management Personnel
11	Shimoli A. Amin		
12	Manini S. Amin		

(b) Transactions with related parties

			[Amount in `]	
Sr. No.	Particulars	Relationship	2016-2017	2015-2016
(i)	Remuneration			
	- Archanaben K. Amin	Key Management Personnel	21,00,000	18,00,000
	- Kandarp K. Amin	Key Management Personnel	19,20,000	16,20,000
	- Archit K. Amin	Relative of KMP	15,00,000	9,00,000
	- Suchit K Amin	Relative of KMP	15,00,000	9,00,000
	- Shimoli A. Amin	Relative of KMP	6,00,000	2,40,000
	- Manini S. Amin	Relative of KMP	6,00,000	—
(ii)	Interest Expenses (capitalized during the year)			
	- Archanaben K. Amin	Key Management Personnel	10,81,461	3,01,130
	- Archit K. Amin	Relative of KMP	1,10,959	—
	- Kandarp K. Amin	Key Management Personnel	24,59,774	10,56,679
	- Krishna Orgochem	Other related parties	22,78,763	12,89,033
	- Adonis Lifecare Private Limited	Other related parties	1,31,486	—
(iii)	Rent Expenses			
	- Kandarp K. Amin	Key Management Personnel	7,80,000	7,80,000
	- Archanaben K. Amin	Key Management Personnel	8,40,000	8,40,000
(iv)	Sales Commission Expense			
	- Kalindi Industries	Other related parties	—	8,87,500
	- Adonis Lifecare Private Limited	Other related parties	19,08,900	1,04,93,000
(v)	Labour Charges			
	- Kalindi Impex	Other related parties	—	4,67,773
(vi)	Sales			
	- Archit Advance Material	Other related parties	—	12,77,700
	- S.D. Agro Organosys	Other related parties	—	—
	- Kalindi Impex	Other related parties	6,79,711	3,40,052
	- Krishna Orgochem	Other related parties	20,99,879	87,18,009
(vii)	Purchase			
	- Kalindi Impex	Other related parties	40,25,000	—
	- Krishna Orgochem	Other related parties	1,57,46,988	—
	- Archit Advance Material	Other related parties	31,162	—

ARCHIT ORGANOSYS LIMITED

			[Amount in `]	
Sr. No.	Particulars	Relationship	2015-2016	2014-2015
(vi) Unsecured loan (Taken During the year)				
-	Archanaben K. Amin	Key Management Personnel	1,62,31,461	1,00,51,030
-	Kandarp K. Amin	Key Management Personnel	2,04,79,774	2,80,56,679
-	Krishna Orgochem	Other related parties	2,41,28,763	32,89,033
-	Adonis Lifecare Private Limited	Other related parties	36,31,486	—
(vii) Unsecured loan (Repaid During the year)				
-	Archanaben K. Amin	Key Management Personnel	2,14,31,461	48,51,130
-	Kandarp K. Amin	Key Management Personnel	3,39,59,774	1,45,56,679
-	Adonis Lifecare Private Limited	Other related parties	36,31,486	—
-	Krishna Orgochem	Other related parties	2,52,28,763	12,89,033
(viii)	Advance Against Property			
-	Archit K. Amin	Relative of KMP	31,10,959	--
(ix)	Advance received back			
-	Archit K. Amin	Relative of KMP	31,10,959	—
(c) Outstanding Balances as on 31st March, 2017				
(i)	Due by company			
	As Unsecured Loan			
-	Kandarpbhai K. Amin	Key Management Personnel	—	1,35,00,000
-	Archanaben K. Amin	Key Management Personnel	—	52,00,000
-	Krishna Orgochem	Other related parties	1,00,00,000	1,11,00,000
(ii)	As Trade Payable			
-	Archanaben K. Amin	Key Management Personnel	—	63,000
-	Kandarp K. Amin	Key Management Personnel	—	58,500
-	Kalindi Impex	Other related parties	47,31,892	—
-	Adonis Lifecare Private Limited	Other related parties	—	2,77,800
(iii)	As Trade Receivable			
-	Archit Advance Material	Other related parties	—	7,74,656
-	Kalindi Impex	Other related parties	—	48,109
-	Krishna Orgochem	Other related parties	—	67,64,289
-	S.D. Agro Organosys	Other related parties	—	25,00,000

35 Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2017 is as follows:

Provisions

Particulars	[Amount in `] Provision for Excise duty and other Expenses
Opening Balance	8,01,312
Additions	8,42,148
Payments	3,83,727
Reversals	4,17,585
Closing Balance	8,42,148

36 Balances of Trade Payables, Trade Receivable and Loans and Advances are subject to confirmations and reconciliation if any, by the respective parties.

37 Due to Micro, Small and Medium Enterprise

		[Amount in `]	
Sr. No.	Particulars	2016-2017	2015-2016
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	1,24,688	38,46,003
2	The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	NIL	NIL
3	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 Micro Small and Medium Enterprise Development Act, 2006.	NIL	NIL
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	NIL	NIL
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	NIL	NIL

The company has initiated the process of obtaining the confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) but has not received the same in totality. The above information is compiled based on the extent of responses received by the company from its suppliers.

38 Additional information, to the extent applicable, required under paragraphs 5(viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013.

(A) Composition of Raw Materials Consumption:	2016-2017		2015-2016	
Raw Material consumption	Value	Percentage	Value	Percentage
	(`)	(%)	(`)	(%)
Imported	5,93,77,301	40.06	5,94,56,610	35.67
Indigenous	8,88,57,352	59.94	10,72,46,729	64.33
Total :	<u>14,82,34,653</u>	<u>100.00</u>	<u>16,67,03,339</u>	<u>100.00</u>

(B) Value of Imports on CIF Basis:

			[Amount in `]	
Particulars	2016-2017	2015-2016		
Raw Materials	6,30,34,184	5,55,74,592		
Traded Goods	14,69,760	67,36,828		

(C) Earning in Foreign Currency:

F.O.B. Value of Export	21,09,53,088	23,49,75,344
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(D) Expenditure in Foreign Currency (on payment basis):

Traveling	19,52,249	18,85,436
Commission	63,147	1,71,317
Total :	<u>20,15,396</u>	<u>20,56,753</u>

39 Statement of Management

- (a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary.
- (b) Balance Sheet and Statement of Profit and Loss read together with Notes to the accounts thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the period and results of the Company for the period under review.

ARCHIT ORGANOSYS LIMITED

40. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MAC notification G.S.R. 308(E) dated 31st March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016, the denomination wise SBNs and other notes as per the notification is given below:

[Amount in `]

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 th November, 2016	12,80,000	6,46,318	19,26,318
(+) Permitted receipts	0	9,92,797	9,92,797
(-) Permitted payments	1,500	13,18,125	13,19,625
(-) Amount deposited in Banks	12,78,500	0	12,78,500
Closing cash in hand as on 30 th December, 2016	0	91,430	3,20,990

41. The previous year's figures have been reworked, regrouped and reclassified wherever necessary so as to make them comparable with those of the current year.

As per our attached report of even date

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP A. PARIKH

Partner

Mem. No. 40727

Place : Ahmedabad

Date : 12th May, 2017

FOR AND ON BEHALF OF THE BOARD

KANDARP K. AMIN

Whole time Director

DIN 00038972

BHARAT SHRIMALI

Chief Financial Officer

BHUPENDRA V. MEHTA

Whole time Director

DIN 00133677

AMI R. SUTHAR

Company Secretary

Place : Ahmedabad

Date : 12th May, 2017

ARCHIT ORGANOSYS LIMITED

L24110GJ1993PLC019941

Registered Office: Plot No. 25/9-A, Phase-III, G.I.D.C. Naroda, Ahmedabad- 382330

Phone: 91-79- 22821154 E-Mail: share@architorg.com

ATTENDANCE SLIP

I /We hereby record my / our presence at the 24th Annual General Meeting of the members of the Company to be held on Saturday, 23rd September, 2017 at 10.00 A.M. at ATMA Hall, Opp. City Gold, Ashram Road, Ahmedabad- 380009

Full name of the Member: _____

Address of the Member: _____

Folio No: _____ DP ID No. _____ Client ID NO. _____

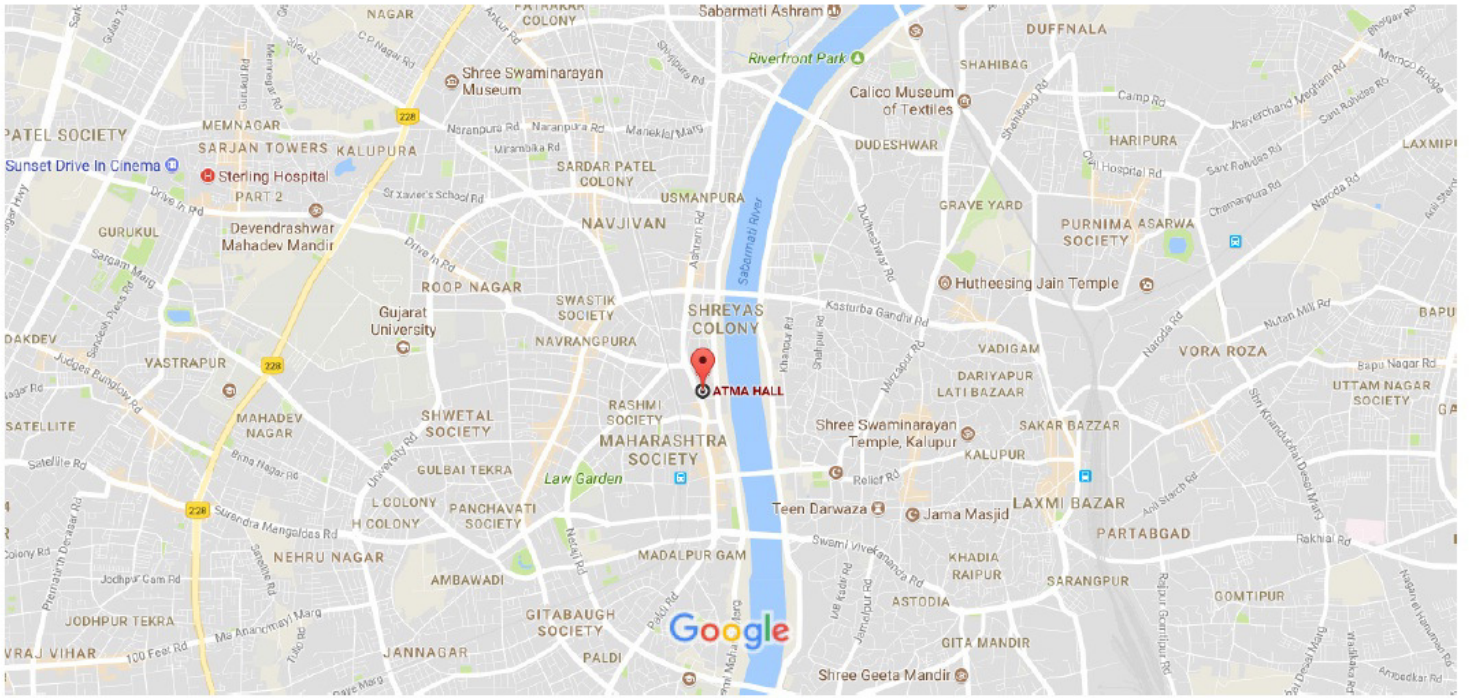
No. of shares held : _____

Full name of the Proxy (If attending the meeting) : _____

Member's /Proxy's Signature: _____

Note:

1. Please complete the Folio / DP ID-Client No. and name, sign this Attendance Slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING HALL.



ARCHIT ORGANOSYS LIMITED

L24110GJ1993PLC019941

Registered Office: Plot No. 25/9-A, Phase-III, G.I.D.C. Naroda, Ahmedabad- 382330

Phone: 91-79- 22821154 E-Mail: share@architorg.com**PROXY FORM**

FORM NO. MGT-11

(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 : _____

No. of Shares _____

I/We, being the member(s) holding _____ shares of the above named company, hereby appoint:

1. Name : _____ Address _____

E-mail ID: _____ Signature _____ or failing him/her

2. Name : _____ Address _____

E-mail ID: _____ Signature _____ or failing him/her

3. Name : _____ Address _____

E-mail ID: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Saturday, 23rd September, 2017 at 10.00 A.M. at ATMA Hall, Opp. City Gold, Ashram Road, Ahmedabad- 380009 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars of Resolution	For	Against
ORDINARY BUSINESS			
1.	To consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2017 and the Directors' report and Auditors' report thereon.		
2.	Re-appointment of Shri. Kandarp K. Amin, as a Director who retires by rotation.		
3.	Appointment of Statutory Auditors and fixing their remuneration.		
SPECIAL BUSINESS			
4.	To appoint Shri Archit K. Amin (DIN: 01681638) as a Director.		
5.	To appoint Shri Archit K. Amin (DIN: 01681638) as Whole Time Director.		
6.	To re-appoint Shri Kandarp K. Amin (DIN: 00038972) as Whole Time Director.		
7.	To re-appoint Smt. Archana K. Amin (DIN: 00038985) as Whole Time Director.		
8.	To change the place of keeping the Register of Members and other related returns.		

Signed this _____ day of _____ of 2017

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix Re 1 revenue stamp

Note :

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- **It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
- Please complete all details including details of member (s) in the above box before submission.

If undelivered please return to :

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

REDG OFF: PLOT No 25/9-A, PHASE-III, G.I..D.C. NARODA, AHMEDABAD – 382330

PHONE: 91-79- 22821154 E-MAIL: share@architorg.com