



## Archit Organosys Limited.

Plot no.25/9/A, & 25/9/B, Phase – III, G.I.D.C. Naroda, Ahmedabad – 382330.

Tel. No. 079 22821154, 22800785 Fax no. 079 22822007.

E-mail: share@architorg.com

CIN No.L24110GJ1993PLC019941

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Date: August 23, 2016

To,

**Bombay Stock Exchange Limited**

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai - 400 001.

To,

**Ahmedabad Stock Exchange Limited**

1<sup>st</sup> Floor, Kamdhenu Complex,

Opp. Shajanand College, Panjara Pole,

Ahmedabad – 380 015.

**Sub.: Submission of the Annual Report as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

With reference to the above, we submit herewith the Annual Report of the Company for the financial year ended on March 31, 2016 duly approved and adopted by the members as per the provisions of the Companies Act, 2013 at its Annual General Meeting held on Tuesday, August 16, 2016.

Kindly take the same on your records.

Thanking you,

Yours faithfully,

**FOR ARCHIT ORGANOSYS LIMITED**

**AUTHORIZED SIGNATORY**

Encl: As above

# ARCHIT ORGANOSYS LIMITED

## BOARD OF DIRECTORS

Shri Kandarp K. Amin  
Smt. Archana K. Amin  
Shri Bhupen Mehta  
Shri Haresh Shah  
Shri Dipesh Kotak  
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.

## WORKS

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

# ARCHIT ORGANOSYS LIMITED

## 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: kandarp.amin@archit.org.com

### NOTICE

NOTICE is hereby given that the 23<sup>rd</sup> Annual General Meeting of the members of the Company will be held on Tuesday, August 16, 2016 at 11.30 a.m. at HOTEL CROWN, Nr. Choice, C. G. Road, Navrangpura, Ahmedabad - 380 009 to transact the following business:

#### ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at March 31, 2016, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
- (2) To appoint a Director in place of Smt. Archana Amin (DIN: 00038985) who retires by rotation and being eligible, offers herself 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 section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, M/s. G. K. Choksi & Co., Chartered Accountants, (Firm Reg. no. 101895W), Ahmedabad be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting at such remuneration as may be fixed by Shri Kandarp Amin, Chairman and Whole Time Director of the Company 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** pursuant to the provisions of Sections 149, 150, 152, 161 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Rajendraprasad J. Shah (DIN: 01982424) who was appointed as an Additional Director of the Company by the Board of Directors (and categorized as 'Independent Director') with effect from July 15, 2016 and who holds office as an Additional Director upto the date of ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company and who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years with effect from July 15, 2016.

**RESOLVED FURTHER THAT** the Board of the Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

- (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 61 of the Companies Act, 2013 and Companies (Share Capital & Debentures) Rules, 2014, and any other applicable provisions, if any, of the Companies Act, 2013, the Authorised Share Capital of the Company be and is hereby increased from ₹ 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of ₹ 10/- (Rupees Ten only) each.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following new clause "V":

- V. The Authorised Share Capital of the Company is ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of ₹ 10/- (Rupees Ten Only) each.



**RESOLVED FURTHER THAT** Shri Kandarp Amin, Chairman and Whole Time Director or Smt. Archana Amin, Whole Time Director of the Company be and are hereby severally authorized to file various e-forms in relation to alteration in the Memorandum of Association of the Company with the concerned office of Registrar of Companies, within the prescribed time.

- (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 provisions of Section 23(1)(c) and 62(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any amendments thereto or re-enactment thereof, for the time being in force) the provisions in the Memorandum and Articles of Association of the Company, Chapter IV and other applicable regulations of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations") and such other applicable guidelines/ rules/regulations/ circulars issued by Securities and Exchange Board of India from time to time, the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the applicable Rules, Regulations, Notifications and Circulars, if any, issued by Reserve Bank of India (RBI), Government of India or any other competent authority and clarifications, if any, issued thereon from time to time by appropriate authorities, the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations"), Equity Listing Agreement ("Listing Agreement") as entered into by the Company with the Stock Exchange(s) where the Company's Equity Shares of face value of ₹ 10/- each (the "Equity Shares") are listed and other concerned and appropriate authorities, and other applicable laws, if any, and subject to such approval(s), consent(s), permission(s) and/or sanction(s), if any, of the Government of India, RBI, SEBI and any other appropriate authority(ies), Bank(s), Institution(s) or Body(ies), as may be necessary and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, as are accepted by the Board of Directors of the Company, (hereinafter referred to as the "Board", which term shall be deemed to include any duly constituted Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), the consent of the Shareholders of the Company be and is hereby accorded, to create, offer, issue and allot Equity Shares having face value of ₹ 10/- (Rupees Ten only) each at such an Issue Price (including Share Premium thereon) as determined by the Board in consultation with the Lead Manager/Advisors/Consultants etc. up to an amount not exceeding ₹ 30,00,00,000 (Rupees Thirty Crores only), on Rights basis to the existing Equity Shareholders of the Company in proportion to their holdings with a right to renounce the Equity shares offered to them in favour of any other person, on the terms and conditions as deem fit by the Board in its sole discretion at the time of issue/ allotment without being required to seek further consent or approval of the Members of the Company. ("Rights Issue")

**RESOLVED FURTHER THAT** all the new equity shares as aforesaid to be issued and allotted in a manner as stated above shall rank paripassu in all respects with the existing Equity Shares of the Company.

**RESOLVED FURTHER THAT** the unsubscribed portion, if any, of the aforesaid Equity Shares to be so offered and issued, after considering the applications received from the shareholders of the Company, shall be disposed off in such manner, as the board may deem fit.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution including any offer, issue or allotment of Equity shares on Rights Basis, Shri Kandarp Amin, Chairman and Whole Time Director or Smt. Archana Amin, Whole Time Director of the Company be and are hereby authorized severally to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to the above resolution and/ or otherwise considered by them in the best interest of the Company.

- (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 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association of the Company submitted to this meeting, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be the necessary, proper or expedient to give effect to this resolution.

## ARCHIT ORGANOSYS LIMITED

### NOTES:

1. **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.
2. Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
3. 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 annual accounts, 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](http://www.architorg.com). for their download.
9. Members desiring to seek information on Annual Accounts 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 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 2015-16 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 the 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	Shareholding in the Company	**Details of Directorship held in other Companies as on 31.03.2016	#Details of Membership/ Chairmanship of Committee as on 31.03.2016
*Smt Archana Amin	11/12/1959	30/09/1999	B.SC (Chemistry) Procurement Export Business and Production planning	5,97,296	NIL	NIL
*Mr. Rajendraprasad J. Shah	15/12/1949	15/07/2016	He holds the master degree in Production engineering with Post graduation diploma in Industrial engineering with about 42 years of rich experience.	NIL	CIL Nova Petrochemicals Limited Bhagwati Auto Cast Limited	NIL

\* Smt. Archana Amin, Whole Time Director of the Company is spouse of Shri Kandarp Amin, Chairman and Whole Time Director of the Company.

\* Mr. Rajendraprasad J. Shah is not related in any way with the Directors / Key Managerial personnel of the Company.

\*\* Excludes the Private Limited Companies, Foreign Companies and Companies regd. 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 Listing Agreement / 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 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 August 13, 2016 to 5.00 P.M. on August 15, 2016 (Both days inclusive). The Members shall refer to the detailed procedure on e-voting given in the e-voting Notice.

A Route Map showing the Directions to reach the venue of the 23<sup>rd</sup> 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 Shri Manoj P. Mehta, Proprietor of M/s. M. P. Mehta & Co., Practicing Company Secretaries, (Membership No.2413) 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](http://www.architorg.com)) and on the website of agency ([www.cdslindia.com](http://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 electronics means, but shall not be allowed to vote again at the Annual General Meeting.



## ARCHIT ORGANOSYS LIMITED

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 process 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, head of Secretarial Department of the Company, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including remote e-voting. His contact details are Address: Plot No. 25/9-A, Phase-III, G.I.D.C. Naroda, Ahmedabad - 382330, Mobile No. : 9328877743, Email: share@architorg.com

### **The instructions for shareholders voting electronically are as under:**

- (i) The remote e- voting period commences at 10.00 a.m. on August 13, 2016 and ends at 5.00 p.m. on August 15, 2016 (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) of August 9, 2016 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • 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. • 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 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 i.e. 160718016 for ARCHIT ORGANOSYS LIMITED on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that 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](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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:	<a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	Shri Manoj P. Mehta (Proprietor of M/s. M. P. Mehta & Co.) Practicing Company Secretaries Email id: <a href="mailto:manojmehta57@yahoo.co.in">manojmehta57@yahoo.co.in</a>

## REGISTERED OFFICE

PLOT NO. 25/9-A, PHASE III,  
G.I.D.C. NARODA, AHMEDABAD - 382 330  
DATE: July 15, 2016

BY ORDER OF THE BOARD  
FOR ARCHIT ORGANOSYS LIMITED.

(KANDARP K. AMIN)  
CHAIRMAN  
DIN: 00038972



## ARCHIT ORGANOSYS LIMITED

### 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: [kandarp.amin@archit.org.com](mailto:kandarp.amin@archit.org.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

Mr. Rajendraprasad J. Shah has been appointed as an Additional Director (Categorized as Independent Director) of the Company by the Board of Directors w.e.f. July 15, 2016 who holds office upto the date of this ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the requisite deposit of money proposing his candidature for the office of Director of the Company. The Company has received from him requisite consent, intimation and a declaration that he meets the criteria of independence as provided under section 149(6) of the Act, in connection with his appointment as an Independent Director. Copy of the draft letter for his appointment as an Independent Director would be available for inspection without any fees by the members at the Registered office of the Company during normal business hours on any working day.

Mr. Rajendraprasad J. Shah is M.E. (Mechanical) in production engineering and holds a post graduate diploma in Industrial Engineering & Management. He is having the rich experience of 42 years of working across different Industries. He is having the wide exposure in the field of preparing industry policies, carrying activities like investment promotion, counselling with entrepreneurs, monitoring the Research & Development work of large projects, production planning, material management etc. Considering his qualification, expertise and experience the Board of Directors though it desirable to avail his service and appointment him as an Independent Director on the Board.

Your Directors recommend the passing of the proposed Ordinary Resolution.

Except Mr. Rajendraprasad J. Shah, being an appointee, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise, in the proposed resolution.

##### Item No. 5

In view of raising of fund by way of Capital, the Board of Directors have decided to increase the Authorised Share Capital of the Company. It is proposed to increase the Authorised share capital from existing ₹ 10,00,00,000/- (Rupees Ten Crore Only) to ₹ 25,00,00,000/- (Rupees Twenty Five Crore Only) as stated in the resolution. In view of the same, consequential amendment in the Memorandum of Association of the Company is necessary.

In accordance with the provisions of the Companies Act, 2013 approval of members by way of resolution is required to increase the Authorised Share Capital and to amend the Memorandum of Association of the Company. In view of the same, Special Resolution is proposed for the approval of the shareholders.

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

A copy of the existing Memorandum of Association, together with proposed alteration, is available for inspection at the registered office of the company during the business hours on any working day up to the date of Annual General Meeting.

##### Item No. 6

The Company is in need of funds to finance its existing projects on hand and for general corporate purposes of the Company. Hence, it is proposed to raise additional equity capital up to of ₹ 30 Crores by way of issue of Equity Shares of face value of ₹ 10 each of the Company, on a rights basis to the existing Equity Shareholders in proportion to their holdings.

Section 62 of the Companies Act, 2013, inter-alia, provides that whenever it is proposed to increase the subscribed capital of the Company by further issue/offer and allotment of shares, such shares shall be offered to the existing

Shareholders of the Company in the manner laid down in Section 62 unless the members in general meeting decide otherwise.

Generally for Rights Issue, members' approval is not required under the Companies Act, 2013, however, as matter of abundant precaution, approval of the members is being sought by way of Special Resolution for further issue of Equity Shares by way of Rights Issue as set out in the resolution.

The Board commends the Special Resolution set out at Item No. 6 of the notice for approval of the Members.

The Promoters, Directors, Key Managerial Personnel and their relatives may be deemed to be interested in the proposed resolution to the extent of their existing holding and the equity shares that may be subscribed by them based on their holding in the Company, or otherwise. Except as mentioned above, none of the above parties are in any way concerned or interested in the proposed resolution.

**Item No. 7**

The existing Memorandum and Articles of Association ("MOA & AOA") were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA & AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force. The Existing regulations of the Articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Association. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013.

Consent of the shareholders by way of a Special Resolution is required in this regard. The entire set of proposed articles of association is available on the website of the company.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

A copy of the proposed set of new Articles of Association of the Company would be available for inspection for the members at the Registered Office of the Company during the office hours on any working day, upto the date of the Annual General Meeting. The entire set of proposed Articles of Association is available on the website of the company.

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

**REGISTERED OFFICE**

PLOT NO. 25/9-A, PHASE III,  
G.I.D.C. NARODA, AHMEDABAD - 382 330  
DATE: July 15, 2016

**(KANDARP K. AMIN)  
CHAIRMAN  
DIN: 00038972**

**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the 23<sup>rd</sup> Annual Report together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2016.

**FINANCIAL RESULTS:**

The operating results of the Company for the year ended on 31<sup>st</sup> March, 2016 are briefly indicated below:

	(₹ in lacs)	
	Year 2015-2016	Year 2014-2015
Profit Before Depreciation and Taxation		
Depreciation	271.91	183.58
<b>Profit before Taxation</b>	<b>39.79</b>	<b>42.86</b>
Provision for taxation - For Current Tax	<b>232.12</b>	<b>140.72</b>
Provision for taxation - For Deferred Tax	83.00	55.63
MAT credit Entitlement	2.54	-6.11
<b>Profit after Taxation</b>	<b>0.00</b>	<b>11.64</b>
	<b>146.58</b>	<b>79.56</b>

**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 ₹ 5204.62 Lacs as against ₹ 5667.82 Lacs in previous year.

Profits before Tax for the year has increased to ₹ 232.12 Lacs from ₹ 140.72 Lacs in previous year indicating the growth of about 64.95% in comparison to prior year. Profit after tax has increased to ₹ 146.59 Lacs from ₹ 79.56 Lacs in the previous year indicating the remarkable growth of about 84.25% 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 company has allotted 20,00,000 Equity shares of ₹ 10/- on preferential basis at a price of ₹ 30/- (Rupees Thirty Only) per share (including premium of ₹ 20/- each) on 9<sup>th</sup> March, 2016 to the persons belonging to the category other than promoters.

**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.

**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, Smt. Archana K. Amin (DIN: 00038985), Whole Time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and she being eligible offers herself for re-appointment. Your Directors recommended her re-appointment. During the year, Ms. Neeti Patel was appointed as Whole Time Company Secretary of the Company.

Shri Sanjay Kothari (DIN: 01429539) resigned as a Director with effect from 29<sup>th</sup> August, 2015 due to pre-occupancy. The Board placed on records its appreciation for the services rendered by him during his tenure as a Director with 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 Ajay Patel - Chief Financial Officer
3. Ms. Neeti Patel - Whole Time Company Secretary

**EXTRACT OF THE ANNUAL RETURN:**

Extract of the Annual Return as on 31<sup>st</sup> March, 2016 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 / Listing Agreement, a Report on "Corporate Governance" is attached as an **Annexure III** and forms part of this report. As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V respectively are not applicable to our Company, but the Company has complied with the same voluntarily.

**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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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 Ten (10) 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

## **ARCHIT ORGANOSYS LIMITED**

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 Companies Act, 2013 and Rules made thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement and on recommendation of Nomination and Remuneration Committee (NRC), the Board of Directors of the Company has laid down the criteria for evaluation of its own performance, its Committees and individual directors including independent Directors.

The performance evaluation of all the Independent Directors have been done by the entire Board, 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 2015-16 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 2015-16 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](http://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.

### **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:**

M/s. G. K. Choksi & Co., Chartered Accountants, (FRN: 101895W) Statutory Auditors of the Company retires at the forthcoming Annual General Meeting and being eligible offers themselves for re-appointment. The Board on recommendation of the Audit Committee, recommends their re-appointment at the ensuing Annual General Meeting.

**AUDITORS' OBSERVATIONS:**

With regard to the observation of auditors regarding:-

No 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 31<sup>st</sup> March, 2016 consists of following Directors as its members:

1. Shri Haresh Shah – Chairman
2. Shri Bhupendra Mehta – Member
3. Shri Dipesh Kotak – 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 / Clause 49 of the Listing Agreement, 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](http://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.

Date: May 30, 2016

Registered Office

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

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

**(KANDARP K. AMIN)**

CHAIRMAN

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 ₹ 2349.75 Lacs (Previous Year ₹ 2102.63 Lacs)

Out go of foreign exchange equivalent to ₹ 643.68 Lacs (Previous Year ₹ 585.42 Lacs).

Date: May 30, 2016

Registered Office

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

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

(KANDARP K. AMIN)

CHAIRMAN

DIN: 00038972

## Annexure II

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

**Industry Structure and Developments:**

The Company is primarily engaged in the business of manufacturing and sale of various chemical products. The Company has capacity to withstand in the market and face the stiff competition prevailing in the chemical business market. The financial year 2015-16 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, apart from that the company is also looking to acquire a new unit of pharma formulation which will help the company to diversify its wings in the ever growing pharmaceutical industry. This would also help the Company to perform better in coming years.

**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:**

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.

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 goods business in export markets with better profitability.

The Company maintains cordial & harmonious relation with its employees.

**New Product Developing:**

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

FOR AND ON BEHALF OF THE BOARD  
FOR ARCHIT ORGANOSYS LIMITED

Date: May 30, 2016

Registered Office

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

(KANDARP K. AMIN)

CHAIRMAN

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 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 and Smt. Archana K. Amin are Whole - Time Directors 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/ Clause 49 of the listing agreement. More than 50 % of the Board of Directors comprises of non-executive Directors and half of the Board comprises of Independent Directors.

Board meetings:

During the year, ten Board Meetings were held on 25-05-2015, 27-07-2015, 13-08-2015, 10-11-2015, 10-12-2015, 19-01-2016, 12-02-2016, 18-02-2016, 09-03-2016 and 22-03-2016. The Company has observed the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of listing agreement.

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 (including 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	Chairman and Whole Time Director/Executive	10	Yes	1	-	-
2.	Smt. Archana Amin	Whole Time Director / Executive	10	Yes	1	-	-
3.	Shri Bhupendra Mehta	Independent & Non-Executive Director	10	Yes	-	-	-
4.	Shri Hareesh Shah	Independent & Non-Executive Director	10	Yes	-	-	-
5.	Shri Dipesh Kotak	Independent & Non-Executive Director	10	Yes	-	-	-
6.	Shri Sanjay Kothari Ceased to be a Director w.e.f. 29-08-2015	Independent & Non-Executive Director	2	-	6	-	-

Note:

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

None of the Directors of the Company are related to any other Director except Shri Kandarp K. Amin, Chairman and Whole Time Director being spouse of Smt. Archana Amin, Whole Time Director.

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the period 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 31<sup>st</sup> March, 2016 is as follows:

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

The policy of familiarization programme of Independent Directors of the Company is available on the website of the Company i.e [www.architorg.com](http://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 / Clause 49 of the listing agreement, 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 & Non-Executive Director	4	4
Shri Bhupendra Mehta, Member	Independent & Non-Executive Director	4	4
Shri Dipesh Kotak, Member	Independent & Non-Executive Director	4	4

The composition of Committee is in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement. During the year, 4 (four) Committee Meetings were held on 25-05-2015, 13-08-2015, 10-11-2015 and 12-02-2016 which were attended by all committee members.

The functions of Audit Committee as outlined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Listing Agreement are as under:

#### **Brief description of Terms of Reference:**

- (i) oversee the financial reporting process
- (ii) recommend the appointment/re-appointment of auditors
- (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern,
- (iv) review the annual and quarterly financial statements
- (v) review the changes in accounting policies etc
- (vi) review the adequacy of internal audit functions and discuss with them significant findings,
- (vii) review the disclosure of related party transactions,
- (viii) Compliance with listing and other legal requirements relating to financial statements
- (ix) to oversee the working of vigil mechanism, Etc.

The maximum 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 / Clause 49 of the listing agreement, 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 Haresh K. Shah, Chairman	Independent Director	1	1
Shri Bhupendra V. Mehta, Member	Independent Director	1	1
Shri Dipesh K. Kotak, Member	Independent Director	1	1

During the year under review one meeting of the Committee was held on 12/02/2016.

**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 31-03-2016.**

Name	Position held During the period	Salary and Allowances ₹ In lacs	Perquisites	Total Remuneration ₹ In Lacs
Shri. Kandarp K Amim	Chairman & Whole-time Director	16.20	As per the approval of the shareholders and as per the policy of Company	16.20
Smt. Archana K. Amin	Whole -time Director	15.00		15.00

**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 01-04-2014 to 31-03-2017, terminable by six months notice in writing by either side.

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:**

Ms. Neeti Patel – Whole-Time Company Secretary of the Company.

The composition, names of Members and record of attendance during the year, is as under:

Name of Stakeholders Relationship Committee Members	Category	No. of Meetings held	No. of Meetings attended
Shri Bhupendra Mehta, Chairman	Non-Executive-Independent Director	23	23
Shri Kandarp Amin, Member	Non Independent / Executive Director	23	23
Shri Haresh Shah, Member	Non-Executive-Independent Director	23	23

The status of the Investors' Complaints during the Financial Year 2015-16 are as under:

Investor Complaints during F Y 2015-16	No. of Complaints
Pending at the beginning of the Financial Year 2015-16	0
Received during the Financial Year 2015-16	3
Disposed of during the Financial Year 2015-16	3
Remaining unresolved at the end of the Financial Year 2015-16	0

**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 ("the Act") 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.
- 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	Non Independent / Executive Director
Smt. Archana Amin	Non Independent / 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.

**8) INDEPENDENT DIRECTORS:**

As per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the listing agreement, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. During the year under review, one meeting of the Independent Directors was held on 12-02-2016. At the Meeting, the Independent Directors reviewed the performance of the Non Independent Directors (Including the chairman of the Company) and



## ARCHIT ORGANOSYS LIMITED

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 / Clause 49 of Listing Agreement.

### 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 / Clause 49 of the Listing Agreement, the Company established a Vigil Mechanism Policy (Whistle Blower Policy) for directors and employees to report concerns about unethical behaviour, 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. The Vigil Mechanism Policy is made available on the website of the Company. [www.architorg.com](http://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](http://www.architorg.com)

### 11) General Body Meetings

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

#### Annual General Meeting:

Financial Year ended	Date	Time	Venue
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
31-03-2013	12-08-2013	11.00 a.m.	25/9/A, Phase III, GIDC Industrial Estate Naroda, Ahmedabad - 382 330

One Extra Ordinary General Meeting was held during the year on 18-02-2016 for increase in Authorised Share Capital and for issue of Equity Shares on Preferential basis.

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:

Date of Meeting	Summary
10-09-2015	N.A.
29-09-2014	1. Approval for borrowing fund u/s. 180(1)(c) of Companies Act, 2013. 2. Authority to create mortgage/charge on behalf of Company u/s 180(1)(a) of Companies Act, 2013.
12-08-2013	1. Revision in Remuneration payable to Shri Suchit K Amin, relative of Shri Kandarp K. Amin and Smt. Archana K. Amin, Whole-Time Directors of the Company. 2. Approval for commencing and undertaking activities, embodied in other object clause of Memorandum of Association of the Company.

### 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.

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 / Clause 49 of the Listing Agreement.

The company has not adopted any of the non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement other than constituting the Risk Management Committee.

**Policy on Related Party Transaction:**

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](http://www.architorg.com)

**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](http://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](http://www.architorg.com)

**C. Website:**

The Company's Website [www.architorg.com](http://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.**

**13) General Shareholder Information**

<b>Day, Date, time and venue of AGM</b>	August 16, 2016 at 11.30 a.m. at HOTEL CROWN, Nr. Choice, C. G. Road, Navrangpura, Ahmedabad - 380 009
<b>Financial Year</b>	Financial year of the Company commence from 1 <sup>st</sup> April, 2015 and ends on 31 <sup>st</sup> March, 2016.
<b>Listing on Stock Exchanges</b>	BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 <b>AND</b> Ahmedabad Stock Exchange Limited (ASE) A-2, Kamdhenu Complex, Opposite Sahajanand College, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahmedabad - 380 015
<b>Listing Fees</b>	Company has paid listing fees to both Stock Exchanges.
<b>ISIN No.</b>	INE078I01011
<b>Stock Exchange's Scrip Code</b>	BSE Ltd. : No. 524640 Ahmedabad Stock Exchange : No. 53641
<b>Registered Office</b>	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad - 382 330.
<b>Dividend Payment Date</b>	Not Applicable
<b>Compliance Officer</b>	Ms. Neeti Patel
<b>Registrar and Share Transfer Agent</b>	LINK INTIME INDIA PVT. LTD. 303, Shopper's Plaza, - V, Opp Municipa Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009

# **ARCHIT ORGANOSYS LIMITED**

## **14) Share price on BSE Ltd. was Rs. 30.10 Per Share as on 31<sup>st</sup> March, 2016.**

The equity shares of the company were been thinly traded and details of high low are given as under:

Sr.No.	Month	High (In ₹)	Low (In ₹)
1.	April '15	13.02	11.66
2.	May '15	13.59	10.67
3.	June '15	12.87	08.57
4.	July '15	16.75	09.92
5.	August '15	25.05	14.20
6.	September '15	27.10	25.00
7.	October '15	26.45	24.35
8.	November '15	25.05	22.55
9.	December '15	32.55	23.90
10.	January '16	42.30	30.95
11.	February '16	41.50	30.40
12.	March '16	44.40	30.10

## **15) Financial Calendar 2016-2017 (tentative)**

Annual General Meeting	on or before 30 <sup>th</sup> September, 2016
Results for quarter ending June 30, 2016	on or before 14 <sup>th</sup> August, 2016
Results for quarter ending September 30, 2016	on or before 14 <sup>th</sup> November, 2016
Results for quarter ending December 31, 2016	on or before 14 <sup>th</sup> February, 2017
Results for year ending March 31, 2017	on or before 30 <sup>th</sup> May, 2017

## **16) Distribution of Shareholding as on 31-03-2016:**

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	2,776	81.81	8,76,643	17.36
501 - 1000	439	12.94	3,40,120	6.74
1001 - 2000	123	3.63	1,77,345	3.51
2001 - 3000	21	0.62	55,048	1.09
3001 - 4000	1	0.03	3,400	0.07
4001 - 5000	14	0.41	67,800	1.34
5001 - 10000	6	0.18	36,551	0.72
10001 and above	13	0.38	34,93,093	69.17
<b>Total</b>	<b>3,393</b>	<b>100.00</b>	<b>50,50,000</b>	<b>100.00</b>

## **17) Pattern of Shareholding as on 31-03-2016:**

Sr. No	Category	No. of Shares	(%)
1.	Promoters & Promoter group	13,60,121	26.93
2.	Mutual Funds/ UTI	Nil	N.A.
3.	Financial Institutions/Banks	Nil	N.A.
4.	Bodies Corporate	1,05,558	2.09
5.	NRIs (Repatriable)	55,003	1.09
6.	NRI (Non Repatriable)	689	0.02
7.	Individuals / HUF	35,15,031	69.60
8.	Clearing Members	13,598	0.27
	<b>TOTAL</b>	<b>50,50,000</b>	<b>100.00</b>



**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 303, Shopper's Plaza, - V, Opp Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009 as Registrar and Share Transfer Agents being a Common Agency for Physical and Electronic modes.

37,67,000 equity shares comprising of 74.59 % 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 a fore mentioned address.

**19) Secretarial Audit for Reconciliation of Capital:**

As stipulated by SEBI, Practising 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 form (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 / Clause 49 of the Listing Agreement. 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.

**22) Declaration for Compliance of Code of conduct:**

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement, 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 2015-2016. The Code of Conduct is also posted on the website of the Company i.e [www.architorg.com](http://www.architorg.com)

Date: May 30, 2016

Registered Office

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

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

**(KANDARP K. AMIN)**

**CHAIRMAN**

**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 31<sup>st</sup> March, 2016, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of the Listing Agreement 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 / Clause 49 of the Listing Agreement.

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

**(SANDIP PARIKH)**

Partner

Membership No. 40727

**Date: 30<sup>th</sup> May, 2016**

**Place: Ahmedabad**

FOR AND ON BEHALF OF THE BOARD  
OF ARCHIT ORGANOSYS LIMITED

(KANDARP K. ANAND)

Chairman

DATE: 30/05/2016

## Annexure IV

FORM NO. MGT 9

## EXTRACT OF ANNUAL RETURN

as on financial year ended on 31st March, 2016

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

<b>I REGISTRATION &amp; OTHER DETAILS:</b>					
i	CIN	L24110GJ1993PLC019941			
ii	Registration Date	4th 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. 303, Shopper's Plaza, - V, Opp Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad - 380009 Ph. No.: 079- 26465179 E mail:ahmedabad@linkintime.co.in			
<b>II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>					
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	52.29%		
2	Ethyle Acetate	24119	15.98%		
<b>III PARTICULARS OF HOLDING, SUBSIDIARY &amp; ASSOCIATE COMPANIES</b>					
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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% change during the year*
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/HUF	1365421	6000	1371421	44.96	1359121	1000	1360121	26.93	(18.03)
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) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (1)</b>	<b>1365421</b>	<b>6000</b>	<b>1371421</b>	<b>44.96</b>	<b>1359121</b>	<b>1000</b>	<b>1360121</b>	<b>26.93</b>	<b>(18.03)</b>
(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/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter(A)=(A)(1)+(A)(2)</b>	<b>1365421</b>	<b>6000</b>	<b>1371421</b>	<b>44.96</b>	<b>1359121</b>	<b>1000</b>	<b>1360121</b>	<b>26.93</b>	<b>(18.03)</b>
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	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
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2) Non Institutions									
a) Bodies corporates									
i) Indian	11320	100000	111320	3.65	5558	100000	105558	2.09	(1.56)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	335703	1164900	1500603	49.20	346928	1127600	1474528	29.20	(20)
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	0	0	0	0	2035647	0	2035647	40.31	40.31
c) Others (specify)									
Hindu Undivided Family	0	0	0	0	4856	0	4856	0.10	0.10
NON RESIDENT INDIANS (REPAT)	1100	54400	55500	1.82	603	54400	55003	1.09	(0.73)
NON RESIDENT INDIANS (NON REPAT)	500	0	500	0.02	689	0	689	0.01	(0.01)
CLEARING MEMBER	10656	0	10656	0.35	13598	0	13598	0.27	(0.08)
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>359279</b>	<b>1319300</b>	<b>1678579</b>	<b>55.04</b>	<b>2407879</b>	<b>1282000</b>	<b>3689879</b>	<b>73.07</b>	<b>18.03</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>1724700</b>	<b>1325300</b>	<b>3050000</b>	<b>100.00</b>	<b>3767000</b>	<b>1283000</b>	<b>5050000</b>	<b>100.00</b>	<b>0.00</b>

\* During the year under review the Company had allotted 20,00,000 Equity Shares on Preferential Basis and the Paid up Share Capital of the Company as on 31.03.2016 is 50,50,000 Equity Shares

## (ii) SHARE HOLDING OF PROMOTERS

Sl No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			
		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	% change in share holding during the year
1	Kandarp Amin	710660	23.30	0	714360	14.15	0	(9.15)
2	Archana Amin	597296	19.58	0	597296	11.83	0	(7.75)
3	Archit Kandarpbhai Amin	46400	1.52	0	46400	0.92	0	(0.60)
4	Suchit Kandarp Amin	17065	0.56	0	2065	0.04	0	(0.52)
	<b>Total:</b>	<b>1371421</b>	<b>44.96</b>	<b>0</b>	<b>1360121</b>	<b>26.94</b>	<b>0</b>	<b>(18.02)</b>

\*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.

## (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	<b>KANDARP AMIN</b>				
	At the beginning of the year	710660	23.30	710660	23.30
	purchase on 10th April, 2015	3200	0.10	713860	23.41
	purchase on 1st June, 2015	500	0.02	714360	23.42
	At the end of the year			714360	*14.15
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
2	<b>ARCHANA AMIN</b>				
	At the beginning of the year	597296	19.58	597296	11.83
	No change during the year				
	At the end of the year			597296	*11.83
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
3	<b>ARCHIT KANDARPBHAI AMIN</b>				
	At the beginning of the year	46400	1.52	46400	1.52
	No change during the year				
	At the end of the year			46400	*0.92
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
4	<b>SUCHIT KANDARP AMIN</b>				
	At the beginning of the year	17065	0.56	17065	0.56
	Sale on 21st December, 2015	(15000)	0.49	2065	0.07
	At the end of the year	2065	0.04	2065	*0.04
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				

# **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	<b>Sanjaykumar R. Patel</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	500000	9.90	500000	9.90
	<b>At the end of the year</b>	<b>500000</b>	<b>9.90</b>	<b>500000</b>	<b>*9.90</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
2	<b>Rakesh R. Patel</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	500000	9.90	500000	9.90
	<b>At the end of the year</b>	<b>500000</b>	<b>9.90</b>	<b>500000</b>	<b>*9.90</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
3	<b>Munjal M. Patel</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	237500	4.70	237500	4.70
	<b>At the end of the year</b>	<b>237500</b>	<b>4.70</b>	<b>237500</b>	<b>*4.70</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
4	<b>Mansi M. Patel</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	237500	4.70	237500	4.70
	<b>At the end of the year</b>	<b>237500</b>	<b>4.70</b>	<b>237500</b>	<b>*4.70</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
5	<b>Shweta S. Shah</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	237500	4.70	237500	4.70
	<b>At the end of the year</b>	<b>237500</b>	<b>4.70</b>	<b>237500</b>	<b>*4.70</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
6	<b>Sagar S. Shah</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Share allotted by the Company on 9th March, 2016	237500	4.70	237500	4.70
	<b>At the end of the year</b>	<b>237500</b>	<b>4.70</b>	<b>237500</b>	<b>*4.70</b>
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				



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
	<b>For Each of the Top 10 Shareholders</b>				
7	<b>Southern India Depository Services P.L.</b>				
	<b>At the beginning of the year</b>	100000	3.28	100000	3.28
	<b>At the end of the year</b>			100000	*1.98
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
8	<b>Umesh G. Parikh</b>				
	<b>At the beginning of the year</b>	0	0	0	0
	Acquired through allotment on 9th March, 2016	50000	0.99	50000	0.99
	<b>At the end of the year</b>	50000	0.99	50000	*0.99
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
9	<b>Pratyush Mittal</b>				
	<b>At the beginning of the year</b>	0	0.00	0	0.00
	Purchase on 11th September, 2015	386	0.01	386	0.01
	Purchase on 18th September, 2015	3669	0.13	4055	0.12
	Purchase on 25th September, 2015	7303	0.37	11358	0.24
	Sale on 30th September, 2015	(5040)	(0.21)	6318	0.17
	Purchase on 9th October, 2015	1657	0.26	7975	0.26
	Purchase on 16th October, 2015	4261	0.40	12236	0.14
	Purchase on 23rd October, 2015	1644	0.46	13880	0.05
	Purchase on 30th October, 2015	2651	0.54	16531	0.09
	Purchase on 6th November, 2015	3002	0.64	19533	0.10
	Purchase on 13th November, 2015	991	0.67	20524	0.03
	Purchase on 20th November, 2015	300	0.68	20824	0.01
	Purchase on 27th November, 2015	1932	0.75	22756	0.06
	Purchase on 4th December, 2015	431	0.76	23187	0.01
	Purchase on 11th December, 2015	465	0.78	23652	0.02
	Sale on 15th January, 2016	(803)	(0.75)	22849	(0.03)
	Purchase on 18th March, 2016	600	0.77	23449	*0.46
	<b>At the end of the year</b>			23449	*0.46
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
10	<b>Samir Rohitbhai Shah</b>				
	<b>At the beginning of the year</b>	0	0.00	0	0.00
	purchase on 25th December, 2015	14700	0.48	14700	0.48
	Sale on 29th January 2016	(700)	(0.02)	14000	0.46
	Sale on 5th February, 2016	(5992)	(0.20)	8008	0.26
	purchase on 12th February, 2016	2475	0.08	10483	0.34
	purchase on 19th February, 2016	1605	0.05	12088	0.40
	purchase on 26th February, 2016	100	0.00	12188	0.40
	purchase on 18th March, 2016	10	0.00	12198	0.40
	<b>At the end of the year</b>			12198	*0.24
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				

**ARCHIT ORGANOSYS LIMITED**
**(v) Shareholding of Directors & KMP**

Sl. No.		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
	<b>For Each of the Directors &amp; KMP</b>				
<b>1</b>	<b>KANDARP AMIN</b>				
	At the beginning of the year	710660	23.30	710660	23.30
	purchase on 10th April, 2015	3200	0.10	713860	
	purchase on 1st June, 2015	500	0.02	714360	23.41
	At the end of the year			714360	*14.15
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
<b>2</b>	<b>ARCHANA AMIN</b>				
	At the beginning of the year	597296	19.58	597296	19.58
	At the end of the year			597296	*11.83
	*At the end of the year, Total shares of the Company were 50,50,000 Equity Shares, pursuant to allotment of Equity Shares on 9th March, 2016.				
<b>3</b>	<b>BHUPENDRA MEHTA</b>				
	At the beginning of the year	100	0.00	100	0.00
	At the end of the year			100	0.00
<b>4</b>	<b>HARESH SHAH</b>				
	At the beginning of the year	100	0.00	100	0.00
	At the end of the year			100	0.00
<b>5</b>	<b>DIPESH KOTAK</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0
<b>6</b>	<b>AJAY PATEL</b>				
	At the beginning of the year	100	0	100	0
	At the end of the year			100	0
<b>7</b>	<b>NEETI PATEL</b>				
	At the beginning of the year	0	0	0	0
	At the end of the year			0	0

## 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	72,145,801	17,550,000	-	89,695,801
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>72,145,801</b>	<b>17,550,000</b>	<b>-</b>	<b>89,695,801</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	5,551,445	14,750,000	-	20,301,445
Reduction	-	-	-	-
<b>Net Change</b>	<b>5,551,445</b>	<b>14,750,000</b>	<b>-</b>	<b>20,301,445</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	77,697,246	32,300,000	-	109,997,246
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>77,697,246</b>	<b>32,300,000</b>	<b>-</b>	<b>109,997,246</b>

## 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.	1,620,000	1,800,000	3,420,000
(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	1,620,000	1,800,000	3,420,000
	<b>Total (A)</b>	<b>4,200,000</b>	<b>4,200,000</b>	
	<b>Ceiling as per the Act</b>			



# **ARCHIT ORGANOSYS LIMITED**

## **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	
	<b>Total (1)</b>	
2	Other Non Executive Directors	
(a)	Fee for attending board committee meetings	
(b)	Commission	
(c)	Others, please specify.	
	<b>Total (2)</b>	
	<b>Total (B)=(1+2)</b>	
	<b>Total Managerial Remuneration</b>	
	<b>Overall Ceiling as per the Act.</b>	

## **C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTG**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
1	Gross Salary	*CEO	Company Secretary	CFO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	None	120,000	220,200	340,200
(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	-	-	-	-
	<b>Total</b>	-	120,000	220,200	340,200

\* 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

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

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

Date : May 30, 2016  
Place : Ahmedabad

(Kandarp K. Amin)  
Chairman  
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/ Clause 49 of the Listing Agreement, 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 and Clause 49 of listing agreement, 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 Clause 49(II) (B) of the Listing Agreement.

Date: May 30, 2016

**Registered Office**

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

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

**(KANDARP K. AMIN)**

**CHAIRMAN**

**DIN: 00038972**

**Annexure VI**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED on March 31, 2016**

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]

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED on MARCH 31, 2016**

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, 2016 generally 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, 2016 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, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (made effective from May 15, 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 - Not Applicable as the Company has not delisted its Equity Shares from any Stock Exchanges during the year under review;

- (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. (Effective from December 1, 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. (Effective from July 1, 2015.)
- (ii) The Listing Agreements and Uniform Listing Agreement entered into by the Company with BSE Limited.

As per the circular ref. no. CIR/CFD/POLICY CELL/7/2014 dated 15<sup>th</sup> September, 2014 and as per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to comply with the provisions of Clause 49 of Listing Agreement and Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V respectively, but the Company has complied with the same voluntarily.

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

#### **We further report that:**

Having regard to the Compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has generally complied with the material aspects of the following laws which are specifically applicable to the Company being engaged in manufacturing activity:

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 period under review were carried out in compliance of the provisions of Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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.



## ARCHIT ORGANOSYS LIMITED

### We further report that:

The Compliance by the Company of the applicable financial laws like Direct and Indirect Tax laws, has 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 event / action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc is as mentioned below:

- The Company has allotted 20,00,000 Equity Shares of ₹ 10/- (Rupees Ten Only) each at a price of ₹ 30/- (Rupees Thirty Only) per equity share (including premium of ₹ 20/- per equity share) on preferential basis to the persons belonging to the category other than promoters.

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

**M.P. MEHTA**  
Proprietor  
FCS No. 2413  
C P No.: 1941

Date: May 30, 2016  
Place: Ahmedabad

### 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: May 30, 2016  
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 31<sup>st</sup> March, 2016;

(Amount in ₹)

Sr. No.	Director	Remuneration	Median Remuneration	Ratio
1.	Mr. Kandarp K. Amin	16.20 Lacs	1.92 Lacs	8.44
2.	Mrs. Archana K. Amin	18.00 Lacs	1.92 Lacs	9.38

- 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.	Mr. Kandarp K. Amin, Whole Time Director	22.73
2.	Mr. Ajay Patel, CFO	10.21
3.	Ms. Neeti Patel, Company Secretary	N.A.

- iii. The percentage increase in the median remuneration of employees in the financial year;

1.18% increase in the median remuneration of the employees in the financial year

- iv. The Company has 52 permanent employees on the rolls of company;

- v. The explanation on the relationship between average increase in remuneration and company performance;

The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of employees/managerial personnel of other organizations. Average increase in remuneration of employees is in line with current year's performance and it is a measure to motivate the employees for better future performance to achieve organization growth expectations. Salary increases during the year were in line with the Company's performance as well as that of the Company's market competitiveness.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

The remuneration to the Key Managerial Personnel of the Company is in line with the Company's Remuneration policy. Considering the respective KMP's performance and business performance of the Company, appropriate reward by way of merit increase and/or salary increase have been awarded to the Key Managerial Personnel for the current year.

- vii. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;

(₹ in Lacs)

Particulars	Unit	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015	Variation %
Closing rate of share at BSE	(in ₹)	30.10	12.66	137.76
EPS	(in ₹)	4.62	2.61	77.01
Market Capitalization	in ₹/ Lacs	*1520.05	386.13	293.66
Price Earnings ratio	Ratio	6.52	4.85	34.43

\* During the year under review, the Company has allotted 20,00,000 Equity Share on preferential basis to Non-Promoters hence market capitalization has been increased to that extent.

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The average increase in salaries of employees other than managerial personnel in 2015-16 was 3.85%. Percentage increase in the managerial remuneration for the year was 9.65 %.

- ix. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

Performance of the company:

(Amt. In ₹ Lacs)

Particular	2015-16	2014-15
Total Income	5189.94	5636.55
Profit Before Tax	232.12	140.71
PBT as % of Total Income	4.47%	2.50%

Increase in remuneration of Key Managerial Personnel:

Sr. No.	Key Managerial Personnel	% increase
1.	Ms. Kandarp K. Amin	22.73
2.	Mr. Ajay Patel	10.21

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

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

- xi. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Not Applicable

- xii. 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.

**Disclosure under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

There were no employees appointed by the Company who were in receipt of remuneration of ₹ 60 Lacs or more per Annum throughout the year and Rs. 5 Lacs or more Per Month for the part of the year, Hence the disclosure under Rule 5 (2) is not applicable.

**Disclosure under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

NOT APPLICABLE

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

Date: May 30, 2016  
Registered Office  
Plot No. 25/9-A, Phase III,  
G.I.D.C. Naroda, Ahmedabad - 382 330

(KANDARP K. AMIN)  
CHAIRMAN  
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	

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	Directors	Rent Paid during the year	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	7.80	N.A.	NIL
Smt. Archanaben K. Amin	Directors	Rent Paid during the year	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	8.40	N.A.	NIL
M/s. Archit Advance Material	Firm in which the Director is Partner	Sales	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	12.78	N.A.	NIL
M/s. Kalindi Impex	Firm in which the Director is Partner	Sales	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	3.40	N.A.	NIL
M/s. Krishna Orgochem	Proprietary firm of Director	Sales	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	87.18	N.A.	NIL
M/s. Kalindi Industries	Firm in which the Director is Partner	Sales Commission Expense	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	8.88	N.A.	NIL
M/s. Adonis Lifecare Private Limited	Company in which Directors are Common	Sales Commission Expense	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	104.93	N.A.	NIL
M/s. Kalindi Impex	Firm in which the Director is Partner	Sales Commission Expense	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	4.68	N.A.	NIL
Mr. Archit K. Amin	Relative of Whole-Time Directors	Remuneration paid	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	9.00	N.A.	NIL
Mr. Suchit K. Amin	Relative of Whole-Time Directors	Remuneration paid	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	9.00	N.A.	NIL
Ms. Shimoli A. Amin	Relative of Whole-Time Directors	Remuneration paid	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016	2.40	N.A.	NIL

Date: May 30, 2016

Registered Office

Plot No. 25/9-A, Phase III,

G.I.D.C. Naroda, Ahmedabad - 382 330

**FOR AND ON BEHALF OF THE BOARD  
FOR ARCHIT ORGANOSYS LIMITED**
**(KANDARP K. AMIN)**

CHAIRMAN

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, 2016, 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 31<sup>st</sup> 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 1<sup>st</sup> February, 2013 to 31<sup>st</sup> March, 2016 has not been intimated to company, the impact thereof on profit for the year under review could not be ascertained.



## ARCHIT ORGANOSYS LIMITED

Had the observations made by us in Para (i) above been considered, there would have been loss for the year amounting to ₹48,492/- as against reported profit of ₹1,46,58,577/-, current liabilities would have been ₹16,85,89,488/- as against reported current liabilities of ₹15,38,82,419/-.

### 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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 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.

For G. K. Choksi & Co.  
Chartered Accountants

[Firm Registration No. 101895W]

(SANDIP PARIKH)

Partner

Membership No. 40727

Date: 30<sup>th</sup> May, 2016  
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 31<sup>st</sup> March, 2016 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 31<sup>st</sup> March, 2016 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	4,84,830	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 not raised moneys by way of initial public offer or further public 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, the Company has made preferential allotment shares which is in compliance with the requirement of section 42 of companies act, 2013. During the year, the amount raised through preferential allotment have been used for the purpose for which the funds were raised.
- (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: 30<sup>th</sup> May, 2016  
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 2016 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 31<sup>st</sup> March 2016, 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: 30<sup>th</sup> May, 2016

## BALANCE SHEET AS AT 31ST MARCH 2016

[Amount in ₹]

Particulars	Notes	As at 31st March 2016	As at 31st March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Fund</b>			
Share Capital	2	5 03 47 850	3 03 47 850
Reserves and Surplus	3	7 95 16 765	2 48 58 188
		<b>12 98 64 615</b>	<b>5 52 06 038</b>
<b>Non-Current liabilities</b>			
Long term borrowings	4	3 03 74 685	1 35 92 079
Deferred tax liabilities (Net)	5	48 60 074	46 06 525
Long term provisions	6	9 14 054	6 40 122
		<b>3 61 48 813</b>	<b>1 88 38 726</b>
<b>Current liabilities</b>			
Short term borrowings	7	7 75 23 968	7 40 38 531
Trade payables			
Due to Micro, Small and Medium Enterprise	37	38 46 003	49 32 877
Due to Others	8	5 79 21 639	7 74 05 932
Other current liabilities	9	1 15 37 211	81 85 554
Short term provisions	10	30 74 598	41 80 140
		<b>15 39 03 419</b>	<b>16 87 43 034</b>
<b>Total</b>		<b>31 99 16 847</b>	<b>24 27 87 798</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Fixed assets			
Tangible assets	11	6 13 97 951	6 17 02 234
Intangible assets	12	0	501
Capital Work In Progress	13	8 24 91 053	46 03 541
		<b>14 38 89 004</b>	<b>6 63 06 276</b>
Long term - loans and Advances	14	85 72 913	6 71 132
<b>Current Assets</b>			
Inventories	15	2 78 13 120	3 26 22 909
Trade receivables	16	11 07 91 385	11 61 97 100
Cash and Bank Balances	17	89 39 472	91 56 965
Short term - Loans & advances	18	1 97 35 873	1 77 40 975
Other current assets	19	1 75 080	92 442
		<b>16 74 54 930</b>	<b>17 58 10 390</b>
<b>Total :</b>		<b>31 99 16 847</b>	<b>24 27 87 798</b>

**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 : 30th May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**KANDARP K. AMIN**      **ARCHANA K. AMIN**  
 Whole time Director      Whole time Director  
 DIN 00038972      DIN 00038985

**AJAY P. PATEL**      **NEETI PATEL**  
 Chief Financial Officer      Company Secretary

Place : Ahmedabad  
 Date : 30th May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

[Amount in ₹]

Particulars	Notes	2015-2016	2014-2015
<b>INCOME</b>			
Revenue from operations	20	52 04 62 199	56 67 81 575
Less : Excise duty		69 26 075	1 14 07 966
		51 35 36 124	55 53 73 609
Other Income	21	54 57 433	82 81 498
<b>Total Revenue</b>		<b>51 89 93 557</b>	<b>56 36 55 107</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	18 09 35 852	20 38 96 050
Purchase of Stock-in-Trade	23	17 52 25 816	22 78 68 088
Changes in inventories	24	4 45 460	(1 43 04 834)
Employee benefits Expenses	25	2 07 68 155	1 75 29 539
Finance costs	26	82 83 562	89 13 228
Depreciation and amortization expenses		39 78 770	42 86 287
Manufacturing and other expenses	27	10 61 43 816	10 13 95 038
<b>Total Expenses</b>		<b>49 57 81 431</b>	<b>54 95 83 396</b>
<b>Profit/(Loss) before Tax</b>		<b>2 32 12 126</b>	<b>1 40 71 711</b>
<b>Tax Expenses</b>			
Current Tax		83 00 000	55 00 000
Tax In respect of earlier years		0	62 940
MAT Credit Entitlement		0	11 83 989
Deferred Tax		2 53 549	(6 10 947)
		85 53 549	61 15 982
<b>Profit/(Loss) for the year</b>		<b>1 46 58 577</b>	<b>79 55 729</b>
Earnings per equity share: Basic and diluted	28	₹ 4.62	₹ 2.61

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 : 30th May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**KANDARP K. AMIN**

Whole time Director

DIN 00038972

**ARCHANA K. AMIN**

Whole time Director

DIN 00038985

**AJAY P. PATEL**

Chief Financial Officer

**NEETI PATEL**

Company Secretary

Place : Ahmedabad

Date : 30th May, 2016



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

[Amount in ₹]

Particulars	2015-2016	2014-2015
<b>A. Cash flow from operating activities:</b>		
Profit/(Loss) for the year before taxation and exceptional items	2 32 12 126	1 40 71 711
Adjustments for:		
Income Tax Expenses	0	( 62 941)
Depreciation and Amortization	39 78 770	42 86 287
Profit/(Loss) on sale of Fixed Assets	( 19 503)	23 81 514
Interest Income	( 6 21 608)	( 5 22 656)
Interest Expenses	82 83 562	89 13 228
Operating profit before working capital changes	3 48 33 347	2 90 67 143
Adjustments for:		
Trade Receivable	54 05 716	2 04 35 541
Short Term Loans and Advances	( 98 96 679)	( 1 12 50 957)
Inventories	48 09 788	( 2 24 98 307)
Trade payables	( 2 39 04 827)	35 09 214
Other Current Liabilities	69 25 065	13 13 501
Other Bank Balances	( 28 277)	8 130
Cash generated from operations	1 81 44 133	2 05 84 265
Direct taxes Refund/(paid)	( 92 24 237)	( 36 44 454)
Net cash from operating activities [A]	89 19 896	1 69 39 811
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	( 8 18 66 996)	( 2 13 69 983)
Sale of Fixed Assets	3 25 000	2 00 000
Interest received	5 38 970	6 13 128
Net cash used in investing activities [B]	( 8 10 03 026)	( 2 05 56 855)
<b>C. Cash flow from financing activities</b>		
Procurement/(Repayment) of long/ short term borrowings	2 03 01 445	1 55 54 027
Proceeds from issue of equity share capital	2 00 00 000	0
Proceeds from securities premium	4 00 00 000	0
Interest paid	( 90 25 910)	( 81 70 880)
Net cash flow from financial activities [C]	7 12 75 535	73 83 147
Net Increase/(Decrease) in cash and cash equivalents [A+B+C]	( 8 07 595)	37 66 103
<b>Cash and cash equivalents opening</b>	89 86 687	52 20 584
<b>Cash and cash equivalents closing</b>	81 79 092	89 86 687
<b>Components of cash and cash equivalent</b>		
Balances with scheduled banks	9 69 725	38 65 205
Fixed Deposits	59 09 945	46 42 655
Cash in hand	12 99 422	4 78 827
	81 79 092	89 86 687

**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 years 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 : 30th May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**KANDARP K. AMIN ARCHANA K. AMIN**

Whole time Director

Whole time Director

DIN 00038972

DIN 00038985

**AJAY P. PATEL**

**NEETI PATEL**

Chief Financial Officer Company Secretary

Place : Ahmedabad

Date : 30th May, 2016

## Notes forming parts of accounts

## 1. Significant Accounting Policies

## (a) Basis of preparation of 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.
- (iii) The Ministry of Company Affairs (MCA) vide its notification no. G.S.R 364 (E) dated 30<sup>th</sup> March, 2016 has issued the Companies (Accounting Standards) Amendments Rules, 2016 amending and replacing certain accounting standards. However, in view of clarification issued by MCA with regard to its applicability, such amended accounting standards are to be used for preparation of accounts for accounting periods commencing on or after the date of notification. Therefore, the effects has not been considered in this financial statements.

## (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, 2016	As at 31st March, 2015
<b>2 Share Capital</b>		
(a) <b>Authorised</b>		
1,00,00,000 (P.Y.33,00,000) Equity Shares of ₹ 10/- each	10 00 00 000	3 30 00 000
(b) <b>Issued, Subscribed and fully Paid-up</b>		
50,50,000 (P.Y.30,50,000) Equity Shares of ₹ 10/- each Fully Paid up	5 05 00 000	3 05 00 000
Less: Calls In Arrears	1 52 150	1 52 150
	<u>5 03 47 850</u>	<u>3 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	
	2015-2016	2014-2015
<b>At the beginning of the year</b>	30 50 000	30 50 000
<b>Add</b>		
Shares issued for Cash or Right Issue or Bonus	20 00 000	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	<u>50 50 000</u>	<u>30 50 000</u>
<b>Less</b>		
Shares bought back / Redemption etc.	0	0
<b>As the end of the year</b>	<u>50 50 000</u>	<u>30 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 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
Kandarp K.Amin	7 14 360	7 10 660	14.15	23.30
Archana K. Amin	5 97 296	5 97 296	11.83	19.58
Sanjay Kumar Patel	5 00 000	0	9.90	0.00
Rakesh Patel	5 00 000	0	9.90	0.00

- (f)** The Company has calls in arrears / unpaid calls amounting to ₹ 1,52,150/- in respect of 78000 equity shares, however it does not have any outstanding calls in due from directors and officers of the company. The company has not forfeited any shares at balance sheet date.

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>3 Reserves and surplus</b>		
<b>Security Premium</b>		
Balance as per previous financial statements	0	0
Add: Received during the year	4 00 00 000	0
Less: Utilised During the year	0	0
	4 00 00 000	0
<b>General Resvers</b>		
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
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Balance as per previous financial statements	2 47 08 188	1 68 12 486
Add : Profit for the year	1 46 58 577	79 55 729
Less : Adjustment due to change in useful life of fixed assets	0	60 027
Balance available for appropriation	3 93 66 765	2 47 08 188
Less : Appropriations	0	0
<b>Net Surplus / (Deficit)</b>	3 93 66 765	2 47 08 188
	7 95 16 765	2 48 58 188

**4 Long term borrowings**

Partiucials	Non-current portion		Current maturities	
	2015-2016	2014-2015	2015-2016	2014-2015
<b>Secured</b>				
<b>Term Loan</b>				
Union Bank of India	15 66 003	23 70 003	8 04 000	8 04 000
<b>Vehicle Loan</b>				
ICICI Bank Limited	15 81 216	20 30 604	4 49 383	4 16 696
Kotak Mahindra Prime Limited	7 27 466	0	1 53 743	0
BMW India Finance Services Pvt. Ltd.	0	6 91 472	6 91 467	8 44 495
	23 08 682	27 22 076	12 94 593	12 61 191
	38 74 685	50 92 079	20 98 593	20 65 191
<b>Unsecured</b>				
From Directors	2 65 00 000	85 00 000	0	0
	3 03 74 685	1 35 92 079	20 98 593	20 65 191
<b>Less: Amount disclosed under the head "Other Current Liabilities"</b>	0	0	20 98 593	20 65 191
	3 03 74 685	1 35 92 079	0	0

**Nature of Security**

The Term Loans amounting to ₹ 23,70,003/- (P.Y. ₹ 31,74,003/-) from Union Bank of India is secured by way of hypothecation of Plant and Machinery and personal guarantee of directors.

The Vehicle loans amounting to ₹ 36,03,275/- (P.Y. ₹ 39,83,267/-) are secured by Vehicles

**Terms of Repayment of Loans**

**Term Loan**

Union Bank of India

Repayable in 56 monthly installments commencing from July, 2014. Last installment due on March, 2019. Rate of interest 14.15% as at year end. (P.Y. 14.00%).

**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 ₹ 85,00,000/- and ₹ 1,80,00,000/- repayable on or after September, 2020 and March, 2018 respectively.

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>5 Deferred tax liabilities (Net)</b>		
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.		
<b>Deferred Tax Liabilities</b>		
Difference of book depreciation and tax depreciation	53 51 000	50 58 265
<b>Deferred Tax Assets</b>		
Disallowance u/s. 43(b) under income tax act, 1961	4 90 926	4 51 740
<b>Net Deferred Tax Liability / (Asset)</b>	<u>48 60 074</u>	<u>46 06 525</u>
<b>6 Long term provisions</b>		
For Employee Benefits		
Gratuity	14 84 954	13 92 327
Less : Amount disclosed under the head Short Term Provision	5 70 900	7 52 205
	<u>9 14 054</u>	<u>6 40 122</u>
<b>7 Short term borrowings</b>		
<b>Loans repayable on demand</b>		
<b>Secured</b>		
Working Capital Loan		
From Banks	7 17 23 968	6 49 88 531
<b>Unsecured</b>		
From Directors	33 00 000	6 00 000
Intercompany Deposit	25 00 000	84 50 000
	<u>7 75 23 968</u>	<u>7 40 38 531</u>
<b>Nature of Security</b>		
<b>Secured</b>		
1 The Working Capital Loans amounting to ₹ 7,15,69,632/- (P.Y. ₹ 6,49,88,531/-) 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.		
<b>8 Trade payables - Due to Others</b>		
For Goods and Services		
Related party (Refer Note No. 34)	3 99 300	0
Others	5 75 22 339	7 74 05 932
	<u>5 79 21 639</u>	<u>7 74 05 932</u>



[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>9 Other current liabilities</b>		
Current Maturities of Long Term Debt	20 98 593	20 65 191
Payable towards Capital Goods	52 50 235	37 24 160
Interest on short term Borrowing	0	7 42 348
Other Payables		
Bank Overdraft	6 23 749	61 924
Statutory dues	26 28 796	13 57 586
Security Deposit	2 11 000	0
Others	7 24 838	2 34 345
	<b>41 88 383</b>	<b>16 53 855</b>
	<b>1 15 37 211</b>	<b>81 85 554</b>
<b>10 Short term provisions</b>		
Employee Benefits		
Gratuity	5 70 900	7 52 205
Others		
For Taxation (Net of advance tax)	25 03 698	34 27 935
<b>Total :</b>	<b>30 74 598</b>	<b>41 80 140</b>

**11 Tangible Assets**

[Amount in ₹]

Description of Assets	Gross Block at Cost				Depreciation			Net Book Value		
	As at April 01, 2015	Additions during the year	Deletions/Adjustment during the year	As at March 31, 2016	Up to March 31, 2015	For theAdjustment year during the year	Deletions/ during the year(*)	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Land :										
Freehold Land	1 39 37 711	4 49 607	-	1 43 87 318	-	-	-	-	1 43 87 318	1 39 37 711
Leasehold Land	55 73 565	-	-	55 73 565	7 03 183	53 833	-	7 57 016	48 16 549	48 70 382
	1 95 11 276	4 49 607	-	1 99 60 883	7 03 183	53 833	-	7 57 016	1 92 03 867	1 88 08 093
Factory Buildings	1 53 65 391	3 00 000	-	1 56 65 391	49 00 117	5 29 080	-	54 29 197	1 02 36 194	1 04 65 274
Plant and Machinery	3 08 44 489	18 40 958	-	3 26 85 447	73 75 998	17 59 470	-	91 35 468	2 35 49 979	2 34 68 491
Furniture and Fixtures	1 00 270	1 02 000	-	1 11 270	5 24 642	1 13 438	-	6 38 080	4 73 190	4 84 628
Vehicles (*)	1 18 56 704	9 24 738	17 02 875	1 10 78 767	40 75 791	12 70 726	14 00 057	39 46 460	71 32 307	77 80 913
Office Equipments	10 89 968	2 53 369	57 550	12 85 807	4 62 681	2 00 904	54 672	6 08 913	6 76 894	6 27 307
Computers	3 18 787	1 08 810	-	4 27 597	2 51 259	50 818	-	3 02 077	1 25 520	67 528
Total :	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	6 17 02 234
Previous Year	7 23 26 928	1 67 66 442	90 97 465	7 99 95 905	2 04 64 187	42 85 408	65 75 978	1 82 93 671	6 17 02 234	

Note (\*): Vehicle includes ₹ 66,24,494/- which have been hypothecated and charged in favour of bank by way of a first and exclusive charge. The legal ownership of vehicle is in the name of directors on behalf of company.

**12 Intangible Assets**

[Amount in ₹]

Description of Assets	Gross Block at Cost				Depreciation				Net Book Value	
	As at April 01, 2015	Additions during the year	Deletions/Adjustment during the year	As at March 31, 2016	Up to March 31, 2015	For the year ending March 31, 2016	Deletions/Adjustment during the year	Up to March 31, 2016	As at March 31, 2016	As at March 31, 2015
Accounting Software	10 000	-	10 000	-	9 499	501	10 000	-	-	501
Total :	10 000	-	10 000	-	9 499	501	10 000	-	-	501
Previous Year	45 900	-	35 900	10 000	44 520	879	35 900	9 499	501	

[Amount in ₹]

**13 Capital Work In Progress**

Particulars	As at April 01, 2015	Additions during the year	Deduction/ Adjustment during the year	Capitalised	As at March 31, 2016
Factory Building	46 03 541	7 55 04 512	-	-	8 01 08 053
Plant And Machinery	-	23 83 000	-	-	23 83 000
<b>Total :</b>	46 03 541	7 78 87 512	-	-	8 24 91 053
<b>Previous Year</b>	-	46 03 541	-	-	46 03 541

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>14 Long term loans and advances</b> (Unsecured, considered good unless otherwise stated)		
Capital Advances	79 27 530	25 750
Security Deposits	6 45 383	6 45 382
<b>Total :</b>	<b>85 72 913</b>	<b>6 71 132</b>
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	43 43 531	94 44 540
Stock in Progress	41 24 748	31 27 025
Finished Goods	37 58 266	13 52 147
Stock-in-Trade	86 07 224	75 28 410
Packing Materials	11 53 353	4 81 535
Consumable Stores	1 70 888	1 06 026
Goods In transit	56 55 110	1 05 83 226
	<b>2 78 13 120</b>	<b>3 26 22 908</b>

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	16 30 089	79 91 772
Chlorine	2 71 311	1 32 580
Others	24 42 131	13 20 188
	<b>43 43 531</b>	<b>94 44 540</b>
Stock in Process		
Mono Chlorine Acetic Acid	41 24 748	31 27 025
Finished goods		
Mono Chlorine Acetic Acid	21 72 638	0
Sodium Mono Chloride Acetic Acid	11 20 330	3 71 962
EDTA Tetra Sodium	41 133	50 186
Others	4 24 165	9 29 999
	<b>37 58 266</b>	<b>13 52 147</b>
Stock-in-Trade		
Ethyle Acetate	20 87 796	46 24 080
Pyridine	0	1 91 555
Others	65 19 428	27 12 775
	<b>86 07 224</b>	<b>75 28 410</b>

**ARCHIT ORGANOSYS LIMITED**

		[Amount in ₹]	
Particulars	As at 31st March, 2016	As at 31st March, 2015	
<b>16 Trade Receivable</b>			
Unsecured, Considered good			
Debts outstanding for the period exceeding six months	62 00 070	12 48 851	
Others	10 45 91 315	11 49 48 249	
	<u>11 07 91 385</u>	<u>11 61 97 100</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.	1 00 87 054	NIL	
<b>17 Cash and Bank Balances</b>			
<b>Cash and Cash Equivalents</b>			
Balances with scheduled banks			
Current / Cash Credit accounts	15 93 474	39 27 129	
Fixed Deposits			
With maturity of less than 3 months	59 09 945	46 42 655	
Cash in hand	12 99 422	4 78 827	
Other Bank balances			
With maturity for more than 3 months but less than 12 months	1 36 631	1 08 354	
<b>Total :</b>	<u>89 39 472</u>	<u>91 56 965</u>	
<b>Note :</b> The Fixed Deposits with a maturity of less than 3 months includes ₹ 58,42,084/- (P.Y. ₹ 45,74,794/-) deposit placed as a margin money.			
<b>18 Short-term loans and advances</b>			
(Considered good unless otherwise stated)			
Advances to Employees	3 20 877	5 50 862	
Others			
Balances with /from revenue authorities	1 81 28 653	1 63 48 421	
Prepaid Expenses	3 82 969	3 97 776	
Other Recoverable	9 03 374	4 43 916	
<b>Total :</b>	<u>1 97 35 873</u>	<u>1 77 40 975</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	
<b>19 Other Current assets</b>			
Interest accrued on fixed deposits	1 75 080	92 442	
	<u>1 75 080</u>	<u>92 442</u>	



# Annual Report 2015-2016

		[Amount in ₹]	
Particulars	2015-2016	2014-2015	
<b>20 Revenue from operations</b>			
Sale of Products			
Manufactured Goods (Inclusive of Excise Duty)	33 28 98 728	32 38 72 804	
Stock-in-Trade	18 50 59 987	23 50 33 093	
Other Operating Revenue			
Export Incentives	13 82 792	9 80 758	
Lifting Charges of Chlorine	11 20 692	68 94 920	
	<u>52 04 62 199</u>	<u>56 67 81 575</u>	
<b>21 Other Income</b>			
Interest Income			
From Banks	4 09 284	2 64 434	
From Others	2 12 324	2 58 222	
	<u>6 21 608</u>	<u>5 22 656</u>	
Foreign Exchange Fluctuation	32 33 181	41 88 413	
Claims Realised	0	26 74 803	
Balance written back (net)	7 83 306	5 54 415	
Other Non-Operating Income			
Profit on sale of fixed assets	22 381	0	
Miscellaneous	7 96 957	3 41 211	
	<u>8 19 338</u>	<u>3 41 211</u>	
	<u>54 57 433</u>	<u>82 81 498</u>	
<b>22 Cost of Material Consumed</b>			
Raw Materials	16 67 03 339	19 07 08 748	
Freight Charges, Inward Clearing and Commission	1 42 32 513	1 31 87 302	
	<u>18 09 35 852</u>	<u>20 38 96 050</u>	
<b>Breakup of Raw Materials Consumed</b>			
Acetic Acid	13 67 58 553	13 58 70 523	
Chlorine	55 39 437	67 11 836	
Others	2 44 05 349	4 81 26 389	
<b>23 Purchase of Stock-in-Trade</b>			
Purchase of Stock-in-Trade	17 52 25 816	22 78 68 088	
	<u>17 52 25 816</u>	<u>22 78 68 088</u>	
<b>24 Changes in Inventories</b>			
Closing 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	
	<u>2 21 45 348</u>	<u>2 25 90 808</u>	
Opening Stock			
Finished Goods	13 52 147	10 08 216	
Stock in Progress	31 27 025	59 08 648	
Stock-in-Trade	75 28 410	13 69 110	
Goods in Transit	1 05 83 226	0	
	<u>2 25 90 808</u>	<u>82 85 974</u>	
<b>Decrease / (Increase) in Inventories</b>	<u>4 45 460</u>	<u>(1 43 04 834)</u>	

**ARCHIT ORGANOSYS LIMITED**

[Amount in ₹]

Particulars	2015-2016	2014-2015
<b>25 Employees Benefits Expenses</b>		
Salary, Wages and Bonus	1 78 33 940	1 41 35 434
Contribution to Provident and other funds	6 73 084	10 70 922
Staff Welfare and Training Expense	22 61 131	23 23 183
	<u>2 07 68 155</u>	<u>1 75 29 539</u>
<b>26 Finance Cost</b>		
Interest on borrowings:		
Banks	21 32 866	23 77 597
On term loans	3 87 392	2 16 509
Working capital loan	16 38 728	28 94 737
Vehicle Loans	3 51 268	1 96 979
Others	2 03 685	0
Income Tax	30 36 742	26 81 798
On Unsecured Loan	<u>77 50 681</u>	<u>83 67 620</u>
Other Borrowing Cost	5 32 881	5 45 608
Other ancillary Cost	<u>82 83 562</u>	<u>89 13 228</u>
<b>27 Manufacturing and other Expenses</b>		
<b>Manufacturing Expenses</b>		
Stores & Other Consumables	1 01 63 063	1 11 12 459
Power Fuel & Water Charges	83 08 571	78 68 695
Repairs and Maintenance:		
Plant, Machinery and Other Equipments	17 81 400	15 10 740
Buildings	32 99 097	58 07 609
Electrical	19 75 149	27 88 139
	<u>70 55 646</u>	<u>1 01 06 488</u>
Laboratory Expenses	3 32 957	61 100
Job Work Charges	0	1 96 000
Pollution Plant Treatment	2 500	35 600
Excise duty on Finished Goods (Net)	2 67 347	39 331
	<u>2 61 30 084</u>	<u>2 94 19 673</u>
<b>Establishment Expenses</b>		
Fees and Legal Expenses	41 31 891	77 61 378
Insurance Charges	6 73 983	6 86 956
Travelling Expenses	32 35 694	37 70 651
Rent, Rates & Taxes	18 91 008	17 74 86
Other Repairs	9 02 308	5 12 077
Auditor's Remuneration	3 01 500	1 50 000
Interest to Suppliers	20 23 051	30 20 264
Miscellaneous Expenditure	62 07 881	60 92 041
Loss on asset discarded	2 878	23 81 514
Donation	1 88 601	16 41 440
	<u>1 95 58 795</u>	<u>2 77 91 182</u>
<b>Selling and Distribution Expenses</b>		
Packing Material Consumed	79 97 176	98 99 000
Sales Commission Expenses	2 17 83 755	93 35 561
Clearing and Forwarding Expenses	2 37 44 921	2 04 34 006
Others	69 29 085	45 15 616
	<u>6 04 54 937</u>	<u>4 41 84 183</u>
	<u>10 61 43 816</u>	<u>10 13 95 038</u>
<b>Auditor, Remuneration is made of :</b>		
Statutory Audit Fees	2 58 500	1 28 000
Tax Audit Fees	43 000	22 000
	<u>3 01 500</u>	<u>1 50 000</u>

[Amount in ₹]

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>28 Earning per Share</b>		
Net Profit/(Loss) for the year (Amount in ₹)	1 46 58 577	79 55 729
Number of equity shares (Weighted Average)	31 70 219	30 50 000
Nominal value of the share	10	10
Basic and diluted Earning per Share (₹)	4.62	2.61
Note : During the year, The company has issued 20,00,000 equity shares.		
<b>29 Contingent Liabilities and Capital commitments</b>		
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	-
Capital Commitments		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	1,80,000	NIL
- Other commitments	NIL	NIL
<b>30 (a)</b> 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.		
<b>(b)</b> The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ₹ 4,84,830/- (P.Y. ₹ NIL) 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 lawsuits filed against 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 ₹ 3,75,237/- (P.Y. ₹ 3,94,899/-) 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<sup>st</sup> March, 2016.

Particulars	[Amount in ₹]	
	2015-2016	2014-2015
<b>Changes in the present value of obligation</b>		
Present value of obligation (Opening)	21,65,871	15,87,409
Interest cost	1,73,270	1,47,947
Past service cost	NIL	NIL
Current service cost	1,96,209	2,13,679
Curtailment Cost / (Gain)	NIL	NIL
Settlement Cost / (Gain)	NIL	NIL
Benefits paid	NIL	NIL
Actuarial (Gain) / Loss	(2,11,878)	2,16,836
Present value of obligation (Closing)	23,23,472	21,65,871

[Amount in ₹]

Particulars	2015-2016	2014-2015
<b>Changes in the fair value of plan assets</b>	<b>7,73,544</b>	<b>5,84,893</b>
Present value of plan assets (Opening)	61,884	50,886
Expected return on plan assets	6,662	1,39,565
Employers Contributions	(3,572)	(1,800)
Actuarial Gain / (Loss)	NIL	NIL
Employees Contributions	NIL	NIL
Benefits paid	8,38,518	7,73,544
Fair Value of Plan Assets (Closing)		
<b>Percentage of each category of plan assets to total fair value of plan assets at the year end</b>	<b>NIL</b>	<b>NIL</b>
Bank Deposits	NIL	NIL
Debt Instruments	100%	100%
Administered by Life Insurance Corporation of India	NIL	NIL
Others		
<b>Reconciliation of the present value of defined benefit obligation and the fair value of assets</b>		
Present value of funded obligation as at the year end	8,38,518	7,73,544
Fair value of plan assets as at year end	8,38,518	7,73,544
Funded (Asset) / Liability recognised in the balance sheet	8,38,518	7,73,544
Present value of unfunded obligation as at the year end	14,84,954	13,92,327
Unrecognised past service cost	NIL	NIL
Unrecognised Actuarial (Gains) / Losses	NIL	NIL
Unfunded net liability recognised in the balance sheet	14,84,954	13,92,327
<b>Amount recognized in the balance sheet</b>		
Present value of obligation as at the year end	23,23,472	21,65,871
Fair value of plan assets as at the year end	8,38,518	7,73,544
(Asset) / Liability recognized in the balance sheet	14,84,954	13,92,327
<b>Expenses recognized in the profit &amp; loss account</b>		
Current service cost	1,96,209	2,13,679
Past service cost	NIL	NIL
Interest cost	1,73,270	1,47,947
Expected return on plan assets	(61,884)	(50,886)
Curtailment Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (Gain) / Loss	(2,08,306)	2,18,636
Employee's Contribution	NIL	NIL
Total expenses recognized in the profit and loss A/c.	99,289	5,29,376
<b>Principal actuarial assumption (Rate of Discounting)</b>		
Rate of discounting	8.06%	8.00%
Expected return on plan assets	8.06%	8.00%
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 ₹ 29,82,307/- (P.Y. ₹ NIL) 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	
		Enterprise/Entities over which key management personnel or relative of KMP exercise significant influence (other related parties)
4	Adonis Lifecare Private Limited	
5	Archit Advance Materials	
6	Kalindi Impex	
7	S.D. Agro Organosys	
8	Kalindi Industries	Relative of Key Management Personnel
8	Archit K. Amin	
9	Suchit K. Amin	
10	Shimoli A. Amin	

**(b) Transactions with related parties**

			[Amount in ₹]	
Sr. No.	Particulars	Relationship	2015-2016	2014-2015
(i)	Remuneration			
	- Archanaben K. Amin	Key Management Personnel	18,00,000	15,00,000
	- Kandarp K. Amin	Key Management Personnel	16,20,000	13,20,000
	- Archit K. Amin	Relative of KMP	9,00,000	9,00,000
	- Suchit K. Amin	Relative of KMP	9,00,000	9,00,000
	- Shimoli A. Amin	Relative of KMP	2,40,000	2,40,000
(ii)	Interest Expenses			
	- Archanaben K. Amin	Key Management Personnel	3,01,130	3,26,613
	- Kandarp K. Amin	Key Management Personnel	10,56,679	--
	- Krishna Orgochem	ther related parties	12,89,033	15,30,353
(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	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	--	25,00,000
	- Kalindi Impex	Other related parties	3,40,052	--
	- Krishna Orgochem	Other related parties	87,18,009	--
(vi)	Unsecured loan (Taken During the year)			
	- Archanaben K. Amin	Key Management Personnel	1,00,51,030	16,26,613
	- Kandarp K. Amin	Key Management Personnel	2,80,56,679	--
	- Krishna Orgochem	Other related parties	32,89,033	24,30,353
(vii)	Unsecured loan (Repaid During the year)			
	- Archanaben K. Amin	Key Management Personnel	48,51,130	66,26,613
	- Kandarp K. Amin	Key Management Personnel	1,45,56,679	--
	- Krishna Orgochem	Other related parties	12,89,033	83,30,353

[Amount in ₹]

Sr. No.	Particulars	Relationship	2015-2016	2014-2015
<b>(c) Outstanding Balances as on 31st March, 2016</b>				
(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	1,11,00,000	91,00,000
(ii)	As Trade Payable			
-	Archanaben K. Amin	Key Management Personnel	63,000	—
-	Kandarp K. Amin	Key Management Personnel	58,500	—
-	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	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 31<sup>st</sup> March, 2016 is as follows:

**Provisions**

[Amount in ₹]

Particulars	Provision for Excise duty and other Expenses
Opening Balance	11,47,264
Additions	8,06,138
Payments	9,97,026
Reversals	1,50,238
Closing Balance	8,01,312

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	2015-2016	2014-2015
1	Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	38,46,003	49,32,877
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

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.

<b>(A) Composition of Raw Materials Consumption:</b>		<b>2015-2016</b>		<b>2014-2015</b>	
Raw Material consumption		Value	Percentage	Value	Percentage
		(₹)	(%)	(₹)	(%)
Imported		5,94,56,610	35.67	4,81,98,691	25.27
Indigenous		10,72,46,729	64.33	14,25,10,057	74.73
Total :		16,67,03,339	100.00	19,07,08,748	100.00

**(B) Value of Imports on CIF Basis:**

Particulars	<b>2015-2016</b>		<b>2014-2015</b>	
Raw Materials		5,55,74,592		5,29,02,907
Traded Goods		67,36,828		23,37,913

**(C) Earning in Foreign Currency:**

F.O.B. Value of Export	23,49,75,344	21,02,63,059
------------------------	--------------	--------------

**(D) Expenditure in Foreign Currency (on payment basis):**

Traveling	18,85,436	28,99,419
Commission	1,71,317	4,01,851
Total :	18,85,436	33,01,270

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 year and results of the Company for the year under review.

40 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 : 30th May, 2016

**FOR AND ON BEHALF OF THE BOARD**

**KANDARP K. AMIN**

Whole time Director

DIN 00038972

**ARCHANA K. AMIN**

Whole time Director

DIN 00038985

**AJAY P. PATEL**

Chief Financial Officer

**NEETI PATEL**

Company Secretary

Place : Ahmedabad

Date : 30th May, 2016

# ARCHIT ORGANOSYS LIMITED

Additional information to the extent required by the Companies Act, 1956, is given in the notes to the accounts. The figures are in Lakhs of Rupees unless otherwise stated.

(A) Comparison of Financial Statements for the years ended 31.03.2018 and 31.03.2017

Particulars	2017-18	2018-19
Revenue	10.75	10.75
Expenses	10.75	10.75
Profit	0.00	0.00

(B) Value of Assets as on 31.03.2018

Particulars	2017-18	2018-19
Fixed Assets	10.75	10.75
Current Assets	0.00	0.00
Total	10.75	10.75

(C) Comparison of Financial Statements for the years ended 31.03.2018 and 31.03.2017

Particulars	2017-18	2018-19
Revenue	10.75	10.75
Expenses	10.75	10.75
Profit	0.00	0.00

(D) Statement of Management

The management of the company has given the following statement of management for the year ended 31.03.2018. The figures are in Lakhs of Rupees unless otherwise stated.

The figures are in Lakhs of Rupees unless otherwise stated.

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**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: [kandarp.amin@archit.org.com](mailto:kandarp.amin@archit.org.com)

**ATTENDANCE SLIP**

I/We hereby record my / our presence at the 23<sup>rd</sup> Annual General Meeting of the members of the Company to be held on Tuesday, August 16, 2016 at HOTEL CROWN, Nr. Choice, C. G. Road, Navrangpura, Ahmedabad - 380 009 at 11.30 a.m.

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.
2. Shareholders are requested to advised to indicate their folio No., DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at Link Intime India Private Limited.

\*Applicable for investors holding shares in Electronic (Demat) form.

# AGM Venue Map



## 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: [kandarp.amin@archit.org.com](mailto:kandarp.amin@archit.org.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:

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 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Tuesday, August 16, 2016 at 11.30 a.m. at HOTEL CROWN, Nr. Choice, C. G. Road, Navrangpura, Ahmedabad - 380 009 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
<b>ORDINARY BUSINESS</b>			
1.	To consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2016 and the Directors' report and Auditors' report thereon.		
2.	Re-appointment of Smt. Archana Amin, as a Director who retires by rotation.		
3.	Appointment of Statutory Auditors and fixing their remuneration.		
<b>SPECIAL BUSINESS</b>			
4.	To appoint Mr. Rajendraprasad J. Shah (DIN: 01982424) as an Independent Director.		
5.	To consider Increase in Authorized Share Capital of the Company. (Special Resolution)		
6.	To create, offer, issue and allot the Equity Shares to the existing shareholders of the Company on Right basis. (Special Resolution)		
7.	To adopt the new set of Articles of Association of the Company. (Special Resolution)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ of 2016

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.

