

Date:31/08/2019

AOL/37/2019-2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir/Madam,

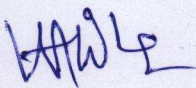
SUB: SUBMISSION OF ANNUAL REPORT OF FINANCIAL YEAR 2018-19.
SECURITY ID: ARCHITORG; ISIN: INE078I01011

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 enclosing herewith the Annual report of Financial Year 2018-19.

We request you to take the above on your records.

Thanking you,

Yours faithfully,
For Archit Organosys Limited



Kandarp Amin
Chairman and Whole Time Director

Encl: As above

Annual Report
2018-2019



ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

ARCHIT ORGANOSYS LIMITED

| | | |
|---------------------------------------|--|--|
| BOARD OF DIRECTORS | Shri Kandarp Amin Smt. Archana Amin Shri Archit Amin Shri Bhupendra Mehta Shri Haresh Shah Shri Rajendraprasad Shah | Chairman and Whole Time Director Whole Time Director Whole Time Director Independent Director Independent Director Independent Director |
| KEY MANAGERIAL PERSONNEL | Mr. Gajendrasingh Rajput (w.e.f 11 th July, 2018) Ms. Anchal Bansal (w.e.f 16 th March,2019) | Chief Financial Officer Company secretary and Compliance Officer |
| BANKERS | Union Bank of India, Ellisbridge Branch, Ashram Road, Ahmedabad – 380006 | |
| AUDITORS | M/s. Chirag R. Shah & Associates Ahmedabad | |
| REGISTERED OFFICE & UNIT I | Plot No. 25/9-A, Phase-III, G.I.D.C. Naroda, Ahmedabad 382 330. | |
| UNIT II | Survey No. 228/A, Paiki 7, Paiki 2, Village-Narmad, Bhavnagar-364313 | |
| CORPORATE OFFICE | 9 th Floor, Venus Benecia, Near Pakwan Restaurant, Bodakdev, S.G. Highway, Ahmedabad-380054 | |

INDEX

| Sr.No. | Particulars | Page Nos. |
|---------------|---|------------------|
| 1. | Notice of 26 th Annual General Meeting | 2-7 |
| 2. | Directors' Report | 8-13 |
| 3. | Management and Discussion and Analysis Report | 14 |
| 4. | Corporate Governance Report | 15-24 |
| 5. | Annual Return (Form No. MGT-9) | 25-33 |
| 6. | Secretarial Auditors' Report | 34-36 |
| 7. | Independent Auditors' Report | 40-46 |
| 8. | Balance Sheet | 47 |
| 9. | Statement of Profit and Loss | 48 |
| 10. | Cash Flow Statement | 49-50 |
| 11. | Notes Forming Part of Accounts | 51-86 |
| 12. | Attendance Slip | 87 |
| 13. | AGM Route Map | 88 |
| 14. | Proxy Form | 89 |

ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

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

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

NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the members of the Company will be held on Saturday, 28th September, 2019 at 11.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat 380015 to transact the following business:

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial Statement of the Company including Balance Sheet as at 31st March, 2019, Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Directors' and the Auditors' Report thereon.
- (2) To appoint a Director in place of Shri Archit Amin (DIN:01681638) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

- (3) 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 Regulation 17(6) (e) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 along with the provisions of Section 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (the 'Act') and the Rules made thereunder read with Schedule V of the Act, consent of the Company be and is hereby accorded to continue the payment of remuneration for the remaining tenure to Shri Kandarp Amin (DIN: 00038972), Smt. Archana Amin (DIN: 00038985) and Shri Archit Amin (DIN: 01681638), Whole Time Directors notwithstanding that it is in excess of the limit prescribed under the aforesaid regulation.

RESOLVED FURTHER THAT the Boards of Directors of the Company be and is hereby authorized to do all such acts, deeds, things and matters as may be required to give effect to this resolution.

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 can not 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 Businesses 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 financial statements, the reports and all other documents required under the law to be annexed thereto are available for inspection during working hours at the Registered Office of the Company on any working day upto the conclusion of this meeting. Members may also note that the notice of annual general meeting will also be available on the website of the Company www.architorg.com for their download.
9. Members desiring to seek information on financial statements to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
10. Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018-49 dated 30th November, 2018, all shareholders holding equity shares in physical form are informed that requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from 1st April, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company promptly.
11. The Ministry of Corporate Affairs (MCA), New Delhi has taken "Green initiatives in Corporate Governance" by allowing paperless compliance by the Companies and issued a circular clarifying that the service of documents to be made by a Company can be made through electronic mode. To support the green initiative of the Ministry of Corporate Affairs, members who have not yet registered their e-mail id are requested to register the same immediately. Members holding shares in physical form are requested to register their e-mail id by communicating the same to the Company mentioning their Folio number. Members holding shares in electronic form are requested to register their e-mail id and a read vised to approach their Depository Participants in this regard.
12. 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.
13. Copies of the Annual Report for the financial year 2018-19 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.

ARCHIT ORGANOSYS LIMITED

14. Information required to be furnished as required under SS-2 and SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the Particulars of Director who is proposed to be re-appointed is given below:

| Name of Director | Date of Birth | Date of Appointment | Qualification and Expertise in functional areas | Shareholding in the Company | Details of Directorship held in other Companies as on 31.03.2019 | #Details of Membership/ Chairmanship of Committee as on 31.03.2019 |
|---------------------|---------------|---------------------|---|-----------------------------|--|--|
| Shri. Kandarp Amin | 20/08/1957 | 22/01/2000 | Commerce Graduate Manufacturing, Export-import business, finance and management. Experience of about 37 years in chemicals and trading business and 22 years in manufacturing of chemicals. | 36,71,295 | Rajpath Club Limited | NIL |
| Smt Archana K. Amin | 11/12/1959 | 01/04/2009 | B.sc (Chemistry) Product Procurement, Export Business and Production planning with 13 years of experience in the chemical industry. | 26,95,515 | Adonis Lifecare Private Limited | NIL |
| Shri Archit Amin | 16/08/1983 | 12/05/2017 | B.E., Master of Science in Engineering from the University of Pennsylvania, USA. Research & Development, Product procurement and processing in Chemical Industry | 6,49,700 | Adonis Lifecare Private Limited | NIL |

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

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

15. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is offering "remote e-voting facility" to all Members of the Company through this Notice and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited, who will be facilitating remote e-voting facility to enable the Members to cast their vote electronically. The Members can cast their vote online from 10.00 AM on Wednesday, September 25, 2019 to 5.00 P.M. on Friday, September 27, 2019 (Both days Inclusive). The Members shall refer to the detailed procedure one-voting given in the-voting Notice.
16. A Route Map showing the Directions to reach the venue of the 26th Annual General Meeting is attached along with the notice as per the requirement of Secretarial Standards-2 on General Meeting.
17. The Board of Directors has appointed M/s. Parikh Dave & Associates Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting and poll process at the Annual General Meeting in a fair and transparent manner. The scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not being in the employment of the Company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall counter sign the same.

18. The result will be declared on receipt of Scrutinizer's Report. The results declared along with the scrutinizer's report will be available on the website of the Company (www.architorg.com) and on the website of agency (www.cdslindia.com). The Company shall simultaneously forward the results to Stock Exchanges where the equity shares of the Company are listed, within the prescribed period.
19. 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.
20. A member may participate in the Annual General Meeting even after exercising his right to vote through electronic means, but shall not be allowed to vote again at the Annual General Meeting.
21. Members are requested to vote only through electronic system or through poll/ballot at the Annual General Meeting and in no other form. In case the member casts his vote through both the processes, the vote casted in electronic mode would prevail, and shall be considered final.
22. Members who holds haresin 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.
23. 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.
24. 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.
25. Ms. Anchal Bansal Company Secretary, shall be responsible for addressing all the grievances in relation to this Annual General Meeting including remote e-voting. Her contact details are - Email: share@architorg.com Phone / Mobile No.:079-22821154 at 9th Floor, Venus Benecia, Nr. Pakwan Restaurant, S.G. Highway, Ahmedabad-380054.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 10.00 AM on Wednesday, September 25, 2019 to 5.00 P.M. on Friday, September 27, 2019 (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 Saturday, September 21, 2019 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-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

ARCHIT ORGANOSYS LIMITED

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN of ARCHIT ORGANOSYS LIMITED on which you choose to vote.
- (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) Shareholders can also use Mobile app - “m - Voting” for e- voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xix) Note for Non–Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

CONTACT DETAILS:

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

Place : Ahmedabad
Date: August 13, 2019
REGISTERED OFFICE
PLOT NO. 25/9-A, PHASE III,
G.I.D.C. NARODA,
AHMEDABAD - 382 330

BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.

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

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 businesses mentioned in the accompanying Notice.

ITEM NO. 3 :

Pursuant to provision of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, applicable from April 1, 2019, the Company shall be required to take approval of members by way of special resolution for payment of remuneration to Executive Directors who are Promoters or members of the Promoter Group in excess of the threshold limit prescribed under the said regulation.

In the 24th Annual General Meeting held on 23rd September, 2017, the members have approved appointment and terms of payment of remuneration to Shri Kandarp Amin and Smt. Archana Amin for the term of three years from 1st April, 2017 and that of Shri Archit Amin, for the term of three years from 12th May, 2017.

In order to comply with the requirement of Listing Regulations and on recommendation of Board of Directors, approval of Members by way of Special Resolution is sought for continuing payment of remuneration for their remaining tenure on the same terms and conditions as approved by members, notwithstanding that the same shall exceed the limits prescribed under said regulation.

The Board recommends passing of the proposed special resolution.

Shri Kandarp Amin, Smt. Archana Amin and Shri Archit Amin, Whole Time Directors are interested in the said resolutions. None of the other Directors or Key Managerial Personnel of the company be deemed to be concerned or interested in the above resolution.

PLACE : Ahmedabad
DATE: August 13, 2019
REGISTERED OFFICE
PLOT NO. 25/9-A, PHASE III,
G.I.D.C. NARODA,
AHMEDABAD - 382 330

BY ORDER OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED.

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

DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the 26th Annual Report together with the Audited Statement of Accounts for the year ended on 31st March, 2019.

FINANCIAL RESULTS:

The operating results of the Company for the year ended on 31st March, 2019 are briefly indicated below:

| | (₹ in lacs) | |
|---|-------------------|-------------------|
| | Year 2018-2019 | Year 2017-2018 |
| Total Income | 8804.61 | 8455.75 |
| Operating Cost including Depreciation | 9070.79 | 8051.44 |
| Financial Expenses | 359.46 | 365.91 |
| Total Expenses | (9430.25) | (8417.35) |
| Profit / (Loss) before Taxation | (625.64) | 38.40 |
| Provision for taxation - For Current Tax | - | 8.55 |
| Provision for taxation - For Deferred Tax | 154.04 | (12.46) |
| MAT credit Entitlement | - | (8.55) |
| Profit / (Loss) after Taxation | (471.60) | 50.86 |

DIVIDEND AND TRANSFER TO RESERVES:

In view of losses, 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 increased to ₹ 8466.98 Lacs as against ₹ 8170.99 Lacs in previous year

Due to higher operational expense, the Company has incurred loss. There is loss before Tax of ₹ 625.64 Lacs as compared to profit of ₹ 38.40 Lacs in previous year and loss after tax of ₹ 471.60 Lacs as compared to Profit of ₹ 50.86 Lacs in previous year.

The Company is confident to have better future performance.

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.

SHARE CAPITAL

As per the terms and conditions mentioned in the Letter of Offer dated February 22, 2017 and the Articles of Association of the Company, 42,577 partly paid up equity shares were forfeited by the Board of Directors in respect of which payment towards first and final call was not received within 12 months from the date of allotment. Resultantly, the paid up capital of the Company has been reduced from ₹ 15,04,20,115/- to ₹ 15,02,07,230/- consisting of only fully paid up equity shares of ₹ 10/- each.

VARIATION IN UTILIZATION OF PROCEEDS OF RIGHTS ISSUE:

| Sr. No. | Particulars | Projected | Actual | Deviation |
|---------|--|-----------|--------|-----------|
| 1 | Project-I (Amount to be utilised in FY: 2016-17) | 778.47 | 778.47 | - |
| 2 | Project-II (Amount to be utilised in FY: 2017-18)\$ | 784.30 | 319.14 | 465.16 |
| 2(a) | Finance Technology upgradation and Capital expenses for MCA, TCAC, SBS, CAC Unit | 165.16 | 165.16 | — |
| 2(b) | Finance working capital needs for MCA, TCAC, SBS, CAC Unit | 275.00 | 275.00 | — |
| 2(c) | Prepayment of Term Loan of Union Bank of India | 25.00 | 25.00 | |
| 3 | Repayment of unsecured loan (Amount to be utilised in FY: 2016-17) | 320.00 | 320.00 | - |
| 4 | General Corporate Purpose (Amount to be utilised in FY: 2017-18) | 582.78 | 582.78 | - |

\$ Due to postponement of Project – II i.e. PAC unit, balance unutilized amount of ₹ 465.16 lacs has been reallocated as referred in 2(a), 2(b) and 2(c) and said variation to utilise the proceeds of Rights issue has been approved by members by way of passing of special resolution through postal ballot on 30th April, 2018.

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 to spend any amount in CSR Activity.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 152 and other applicable provisions if any, of the Companies Act, 2013, Shri Archit Amin (DIN: 01681638), Whole Time Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting and he being eligible offers himself for re-appointment. Your Directors recommends his re- appointment.

Following changes in Director and KMP taken place during the Year:

- Ms. Anchal Bansal has been appointed as Company Secretary and Compliance Officer w.e.f. 16th March, 2019 in place of Mr. Darshan Kinkhabwala who has resigned from the even date.
- Mr. Bharatkumar Shrimali has resigned from the post of Chief financial officer (KMP) of the Company w.e.f. 23rd April, 2018 and in his place Mr. Jilesh Gandhi has been appointed on the same date. Further, Mr. Gajendra Singh Rajput has been appointed as Chief Financial Officer (KMP) in place of Mr. Jilesh Gandhi w.e.f. 11th July, 2018.

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

- Shri Kandarp Amin-Whole Time Director
- Mr. Gajendra Sigh Rajput - Chief Financial Officer
- Ms. Anchal Bansal – Whole Time Company Secretary

EXTRACT OF THE ANNUAL RETURN:

Extract of the Annual Return as on 31st March, 2019 in the prescribed form MGT - 9, pursuant to provisions of Section 92(3) of the Companies Act, 2013 and the Companies (Management and Administration) Rules 2014, is annexed to this report as **Annexure IV**.

CORPORATE GOVERNANCE REPORT:

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

ARCHIT ORGANOSYS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- ii. they have selected such appropriate accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on 31st March, 2019 and of the loss of the Company for the year under review;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the accounts for the period ended on 31st March, 2019 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 Seven(7) times. The details of the Board Meetings are provided in the Corporate Governance Report which is annexed to the Report.

INSURANCE:

The properties and assets of the Company are adequately insured.

DECLARATION BY INDEPENDENT DIRECTORS:

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

PERFORMANCE EVALUATION OF THE BOARD COMMITTEES AND INDEPENDENT DIRECTORS:

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

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

POLICY ON DIRECTORS APPOINTMENT AND POLICY ON REMUNERATION:

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

SECRETARIAL AUDIT REPORT:

M/s. Darshan Kinkhabwla & Associates, Practicing Company Secretaries, was appointed as Secretarial Auditor of the Company for the financial year 2018-19 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 2018-19 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 Ind AS-24 which is forming the part of the notes to financial Statement.

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

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

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

The statement containing particulars of employees as required under section 197 of the Companies Act, 2013 read with Rule 5(2) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by members at the Registered office of the Company during business hours on working days of the Company upto the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

INTERNAL FINANCIAL CONTROL AND THEIR ADEQUACY:

The Company has adopted internal control system considering the nature of its business and the size and complexity of operations. The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures etc. The management is taking further steps to strengthen the internal control system.

RISK MANAGEMENT POLICY:

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

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

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

The Company which have been made Loans under the of Section 186 of the Companies Act, 2013 during the financial year under review which has mentioned in Financial Statement of the Company however company has not provided any guarantee, has not made any investments nor provided any security.

STATUTORY AUDITORS:

In view of the provisions of section 139 of the Companies Act, 2013, the Company had appointed M/s. Chirag R. Shah & Associates, Chartered Accountants (Firm Registration Number- 118791W) as statutory auditor of the Company for the period of 5(five) year in the 24th Annual general Meeting.

In view of the amended provisions of section 139 by The Companies (Amendment) Act, 2018, the appointment of auditors is not required to be ratified every year at the AGM by the members of the company and hence present statutory auditors of the company will continue to act as statutory auditor till the expiry of their present term.

AUDITORS' OBSERVATIONS:

1. Non provision of the option loss including interest, the management is of the opinion that the said liability is of contingent nature and for the same, legal matter is pending at DRT, Mumbai. In view of the same, it is not recognized as the liability and hence no provision has been made for the option loss and interest thereon.
2. Legal Proceeding has been filed by appropriate authority against Whole Time Director and Manager of the Company for alleged violation of discharging contaminated water causing death of black bucks. The Management states that, the Company and its director are not responsible for the same. The company has received letter from GPCB revoking its order for closure of the Bhavnagar unit. The legal proceeding is pending with appropriate Court. Time to time disclosures have been made to BSE Limited.

ARCHIT ORGANOSYS LIMITED

MAINTENANCE OF COST RECORDS:

The Directors of the Company to the best of their knowledge and belief state that the Company has maintained adequate Cost records as required to be maintained by the Company under the provisions of Section 148 of the Companies Act, 2013 read with the relevant Rules framed thereunder.

DISCLOSURE OF AUDIT COMMITTEE:

The Audit Committee of the Company as on 31st March, 2019 consists of following Directors as its members:

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

VIGIL MECHANISM :

Pursuant to provisions of Section 177(9) of the Companies Act, 2013 and Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors had approved the Policy on Vigil Mechanism/ Whistle Blower Policy. Through this policy Directors, Employees or business associates may report the unethical behavior, malpractices, wrongful conduct, frauds, violations of the Company's code etc. to the Chairman of the Audit Committee.

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

COMPOSITION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has complied with the provision relating to constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further, no case has been received under the said act during the year.

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.

COMPLIANCE OF SECRETARIAL STANDARD:

The Company has complied with the necessary secretarial standard which is applicable.

ACKNOWLEDGEMENT:

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

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

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

**Place : Ahmedabad
Date: August 13, 2019**

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

ANNEXURE I

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

| (A) Conservation of energy: | | |
|------------------------------------|---|--|
| (i) | the steps taken or impact on conservation of energy; | The Company has taken measures and applied strict control system to monitor day to day power consumption, to endeavor to ensure the optimal use of energy with minimum extent possible wastage as far as possible. The day to day consumption is monitored and various ways and means are adopted to reduce the power consumption in an effort to save energy. The office area is designed in such a way that during day time not much artificial lighting is necessary in the office. |
| (ii) | the steps taken by the company for utilizing alternate sources of energy; | N.A. |
| (iii) | the capital investment on energy conservation equipments | Company is continuously monitoring and making effort for optimum utilization of equipment's 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 |

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

**Place : Ahmedabad
Date: August 13, 2019**

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

ANNEXURE II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments:

The Company is primarily engaged in the business of manufacturing and selling of various chemical products. As per CII Conference, the secretary of Department of Chemicals and petrochemicals said this Industry is Critical and one of the driving engine of Manufacturing Sector. Indian chemical sector is worth USD 150-155 billion at present and is growing at 8-10 per cent annually," he said, adding the sector's size is poised to reach USD 300 billion by 2025.

The Company has capacity to withstand in the market and face the stiff competition prevailing in the chemical business market.

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 through various scheme, 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 puts more efforts in R & D activities, reduction in process cycles, and improvement in existing process etc. The company is also diversifying in to pharma line, by importing bulk drugs and marketing in local market. Our Company has a well-established market of its own. The Directors are actively connected with the customers. Major customers of the Company include several large Indian and International companies who are engaged in the Agrochemical Manufacturing Sector, Pharmaceuticals Manufacturing Sector and Cosmetics Manufacturing Sector.

The Bhavnagar Facility added to the production capacity of Monochloroacetic Acid (MCA), Sodium Monochloro Acetate (SMCA) and Chloro Acetyl Chloride (CAC) to Company's product portfolio.

Risk and Concerns:

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

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

Internal Control Systems and their adequacy:

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

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

Financial Performance:

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

Return on Networth:

During the year, due to loss, the return on networth has been reduced as compared to 33.76% in the previous year. The Board is firm to get better results in the coming financial year.

Material Developments in Human Resources / Industrial Relations:

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

The Company maintains cordial & harmonious relation with its employees.

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

**Place : Ahmedabad
Date: August 13, 2019**

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

ANNEXURE III

CORPORATE GOVERNANCE REPORT

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

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

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

2) **Board of Directors.**Composition:

The Board of Directors consists of Six Directors consisting of Shri Kandarp K. Amin, Chairman and Whole Time Director, Smt. Archana K. Amin, Whole - Time Director of the Company and Shri Archit K Amin, Whole Time Director and other three Independent Directors. The composition of Board of Directors is in compliance with the Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board meetings:

During the year, seven Board Meetings were held on 23-04-2018, 30-05-2018, 11-07-2018, 13-08-2018, 05-11-2018, 14-02-2019 and on 16-03-2019. The Company has observed the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding meeting of Board of Directors and that the time gap between two consecutive board meetings was not more than one hundred and twenty days.

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

| Sr. | Name of Director | Category of Directorship | No. of Board Meetings attended | Attendance at last AGM | @No. of other Directorship in companies at the year end | *No. of Committee Membership/ Chairmanship in other domestic companies at the year end | |
|-----|----------------------|---|--------------------------------|------------------------|---|--|-------------|
| | | | | | | Member | Chairperson |
| 1. | Shri Kandarp Amin | Promoter/Whole Time Director/Executive | 07 | Yes | 1 | - | - |
| 2. | Smt. Archana Amin | Promoter/Whole Time Director /Executive | 05 | Yes | 0 | - | - |
| 3. | Shri. Archit Amin | Promoter/Whole Time Director/ Executive | 07 | Yes | - | - | - |
| 4. | Shri Haresh Shah | Independent & Non-Executive Director | 07 | Yes | - | - | - |
| 5. | Shri Bhupendra Mehta | Independent & Non-Executive Director | 07 | Yes | - | - | - |
| 6. | Shri Rajendra Shah | Independent Non-Executive Director | 07 | Yes | 2 | 2 | 2 |

Note:

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

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

Except Shri Rajendra Shah, none of the other Director is Director in any other listed entity. Shri Rajendra Shah is acting as an Independent Director in Bhagwati Autocast Limited.

ARCHIT ORGANOSYS LIMITED

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

The Company did not have any pecuniary relationship or transactions with the non-executive directors during the year under review.

None of Directors on the Board are members in more than ten committees and they do not act as Chairman of more than five committees across all companies in which they are Directors.

Shareholding of Non-Executive Directors as on 31st March, 2019 is as follows:

| Name of the Directors | Number of Equity Shares |
|--------------------------|-------------------------|
| Shri Bhupendra Mehta | 100 |
| Shri Haresh Shah | 100 |
| Shri Rajendraprasad Shah | 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

Qualifications and Expertise of Board of Directors:

Considering the present scenario, the Company requires skills/ expertise/ competencies in the areas of General Management, Manufacturing, Legal Expertise and Human resources and the same are available with the Board.

Confirmation regarding Independent Directors

Pursuant to the provisions of Section 134 of the Companies Act, 2013 with respect to the declaration given by the Independent Directors of the Company under Section 149 (6) of the Companies Act, 2013, the Board hereby confirms that all the Independent Directors fulfill the conditions specified in the SEBI (LODR) Regulations 2015 and are independent of the management.

The Company has received Certificate from M/s. Kinkhabwala & Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory Authority.

All the recommendations made by the various committees have been accepted by the Board.

3) Audit Committee

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

| Name of Audit Committee Members | Category | No. of Meetings held | No. of Meetings attended |
|---------------------------------|----------------------|----------------------|--------------------------|
| Shri Haresh Shah, Chairman | Independent Director | 6 | 6 |
| Shri Bhupendra Mehta, Member | Independent Director | 6 | 6 |
| Shri Rajendra J. Shah, Member | Independent Director | 6 | 6 |

The composition of Committee is in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year, 6(Six) Committee Meetings were held on 23-04-2018, 30-05-2018, 11-07-2018, 13-08-2018, 05-11-2018, 14-02-2019 in which required quorum was present.

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

Brief description of Terms of Reference:

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

4. To review the adequacy of internal control systems, evaluation of internal financial controls and risk management systems and to review the functioning of the Whistle Blower mechanism;
5. Scrutiny of loans, advances and investments, valuation of undertakings or assets of the company, wherever it is necessary and to approve the transactions of the company with related parties and any subsequent modification thereto;
6. To review the utilization of loans and/ or advances from/investment in the subsidiary Company, if any exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
7. To carry out any other function that relates to accounts and audit of the company.

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

4) **Nomination and Remuneration Committee**

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

| Name of Nomination and Remuneration Committee Members | Category | No. of Meetings held | No. of Meetings attended |
|--|----------------------|-----------------------------|---------------------------------|
| Shri Haresh K. Shah, Chairman | Independent Director | 3 | 3 |
| Shri Bhupendra V. Mehta, Member | Independent Director | 3 | 3 |
| Shri Rajendra J. Shah, Member | Independent Director | 3 | 3 |

During the year 3 (three) committee meetings were held on 23-04-2018, 11-07-2018 and 16-03-2019.

Brief description of Terms of Reference is as under:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
2. To recommend to the Board their appointment and removal and shall carry out evaluation of Directors' performance;
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
4. 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 31-03-2019.

| Name | Position held During the period | Salary and Allowances In lacs | Perquisites |
|----------------------|---------------------------------|-------------------------------|---|
| Shri. Kandarp K Amim | Whole-time Director | 60.00 | As per the approval of the shareholders and policy of Company |
| Smt. Archana K. Amin | Whole -time Director | 60.00 | |
| Shri. Archit K. Amin | Whole -time Director | 36.00 | |

Service Contract and Notice Period: The appointment of Shri Kandarp K. Amin, Smt. Archana K. Amin and Shri Archit Amin as Whole Time Directors of the Company is for the 3 years, terminable by six months' notice in writing by either side.

There was not any performance linked incentives paid to Whole-time Directors. The Company has not formulated any scheme for giving any stock options to the employees. Hence no stock options have been granted to the Managing Director and Executive Directors during the year ended on 31-03-2019.

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 into 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. Anchal Bansal – Whole -Time Company Secretary and Compliance Officer.

The status of the Investors' Complaints during the Financial Year 2018-19 are as under:

| Investor Complaints during F Y 2018-19 | No. of Complaints |
|---|-------------------|
| Pending at the beginning of the Financial Year 2018-19 | 0 |
| Received during the Financial Year 2018-19 | 3 |
| Disposed of during the Financial Year 2018-19 | 3 |
| Remaining unresolved at the end of the Financial Year 2018-19 | 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 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 on going 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 | Executive Director |
| Smt. Archana Amin | Executive Director |
| Shri Bhupendra Mehta | Independent Director |

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

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

8) INDEPENDENT DIRECTORS:

As per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall hold at least one meeting in the year without attendance of the Non Independent Directors. Independent Directors at their meeting held on 23-04-2018 has reviewed the performance of the Non Independent Directors (Including the Chairman of the Company) and assessed the quality, quantity and timeliness of the flow of information between the Company and the Management. All the independent Directors have attended the meeting.

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

9) Vigil Mechanism Policy:

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

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

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

10) Code of Fair Disclosure:

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

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

11) General Body Meetings

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

Annual General Meeting:

| Financial Year ended | Date | Time | Venue |
|----------------------|------------|------------|--|
| 31-03-2018 | 27-09-2018 | 11.00 a.m. | S-14, First Floor, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, University Area, Ahmedabad-380015 |
| 31-03-2017 | 23-09-2017 | 10.00 a.m. | ATMA Hall, Opp. City Gold Cinema, Ashram Road, Ahmedabad-380009 |
| 31-03-2016 | 16-08-2016 | 11.30 a.m. | Hotel Crown, Nr. Choice, C.G. Road, Navrangpura, Ahmedabad - 380009 |

No Extra Ordinary General Meeting was held during the year.

ARCHIT ORGANOSYS LIMITED

The Company has obtained approval for variation in terms of objects for utilizing the proceeds of Rights issue by way of passing Special Resolution through Postal ballot on 30th April, 2018.

M/s Parikh Dave & Associates, Practicing Company Secretaries were appointed as a scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

The details of voting result are as under:

| Category | Mode of Voting | No. of Share Held (1) | No. of Votes polled (2) | % of votes polled on the Outstanding Shares (3)=[(2)/(1)]*100 | No. of votes in favour (4) | No. of votes invalid (5) | % of votes in favour on votes polled (6)=[(4)/(2)]*100 | % of votes against on votes polled (7)=[(5)/(2)]*100 |
|-----------------------------|--------------------------|-----------------------|-------------------------|---|----------------------------|--------------------------|--|--|
| Promoter and Promoter Group | Remote | 77,80,705 | 77,80,705 | 100% | 77,80,705 | - | 100% | - |
| | E - voting Postal Ballot | | - | - | - | - | - | - |
| | Total | 77,80,705 | 77,80,705 | 100% | 77,80,705 | - | 100% | - |
| Public – Institutions | Remote | | | | | | | |
| | E - voting Postal Ballot | - | - | - | - | - | - | - |
| | Total | - | - | - | - | - | - | - |
| Public – Non-Institutions | Remote | 72,82,595 | 19,80,222 | 27.19 | 19,80,222 | - | 100% | - |
| | E - voting Postal Ballot | | 14,742 | 0.21 | 14,342 | 400 | 97.29% | 2.71% |
| | Total | 72,82,595 | 19,94,964 | 27.40 | 19,94,564 | 400 | 99.98% | 0.02% |
| | Total | 1,50,63,300 | 97,75,669 | 64.90 | 97,75,269 | 400 | 99.99% | 0.01% |

At the forthcoming Annual General Meeting there is no agenda that needs approval by way of Postal Ballot.

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

| Annual General Meeting (AGM) | Summary |
|------------------------------|---|
| AGM 2018 | <ol style="list-style-type: none"> 1. Re-appointment of Shri Haresh K Shah (DIN:00133704) as an Independent Director. 2. Re-appointment of Shri Bhupendra Shah (DIN:00133677) as an Independent Director. |
| AGM 2017 | <ol style="list-style-type: none"> 1. Appointment of Shri. Archit K. Amin as a Whole Time Director. 2. Re-appointment of Shri Kandarp K. Amin as Whole Time Director. 3. Re-appointment of Smt. Archana K. Amin as Whole Time Director. 4. Change the Place of keeping the Register of members and other related returns. |
| AGM 2016 | <ol style="list-style-type: none"> 1. Increase in Authorized Share Capital of the Company. 2. Create, offer, issue and allot Equity Shares on Right Basis to the existing Equity Shareholders of the Company. 3. Adoption of new set of Articles of Association of the Company. |

Disclosures

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

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

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

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

Business risk evaluation and managing such risk is an ongoing process within the organization.

The Board is regularly briefed of risks assessed and the measure adopted by the company to mitigate the risks. The Company has laid down the procedures to inform the Board members about the risk assessment and risk mitigation mechanism, which is periodically reviewed and reported to the Board of Directors by senior executives.

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

Mandatory/ Non-Mandatory Requirements:

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

The Company has during the financial year ended on 31.03.2019 has not adopted any non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the SEBI (LODR) Regulations:

1. The Internal Auditor reports directly to the Audit Committee.

Fees to Statutory Auditors:

The details of fees paid to the Statutory Auditors are given in the Note no. 38 forming part of the financial statement.

12) Means of Communication

A. Financial Results:

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

B. News Releases, Presentations etc:

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

C. Website:

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

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

13) General Shareholder Information

| | |
|---|---|
| Day, Date, time and venue of AGM | Saturday, September 28, 2019 at 11.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat 380015 |
| Financial Year | Financial year of the Company commence from 1 st April, 2018 and ends on 31 st March, 2019. |
| Listing on Stock Exchanges | BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 |
| Listing Fees | Company has paid listing fees to BSE Limited. |
| ISIN No. | INE078I01011 |
| Scrip Code | 524640 |
| Registered Office | 25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330. |
| Dividend Payment Date | Not Applicable |
| Compliance Officer | Ms. Anchal Bansal |

ARCHIT ORGANOSYS LIMITED

| | |
|------------------------------------|--|
| Registrar and Share Transfer Agent | LINK INTIME INDIA PVT. LTD. 5 th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Off C G Road, Navrangpura, Ahmedabad - 380009. |
|------------------------------------|--|

14) Share price of Fully paid up on BSE Ltd. was ₹ 12.70 (closing price) Per Share as on 31st March, 2019.

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

| Sr.No. | Month | High (In ₹) | Low (In ₹) |
|--------|---------------|-------------|------------|
| 1. | April '18 | 44.30 | 37.00 |
| 2. | May '18 | 47.00 | 33.50 |
| 3. | June '18 | 53.90 | 34.20 |
| 4. | July '18 | 42.00 | 35.40 |
| 5. | August '18 | 44.00 | 31.70 |
| 6. | September '18 | 34.00 | 27.15 |
| 7. | October '18 | 34.35 | 25.70 |
| 8. | November '18 | 32.00 | 22.55 |
| 9. | December '18 | 29.75 | 23.00 |
| 10. | January '19 | 30.00 | 21.00 |
| 11. | February '19 | 26.00 | 11.65 |
| 12. | March '19 | 16.06 | 12.32 |

15) Financial Calendar 2019-2020 (tentative)

| | |
|---|--|
| Annual General Meeting | on or before 30 th September, 2019 |
| Results for quarter ending June 30, 2019 | on or before extend period 14 th August, 2019 |
| Results for quarter ending September 30, 2019 | on or before extend period 14 th November, 2019 |
| Results for quarter ending December 31, 2019 | on or before 14 th February, 2020 |
| Results for year ending March 31, 2020' | on or before 30 th May, 2020 |

16) Distribution of Shareholding as on 31-03-2019:

| No. of Shares | No. of Shareholders | % of holders | No. of Shares | % of Shares |
|-----------------|---------------------|---------------|--------------------|---------------|
| Up to 500 | 3200 | 69.70 | 9,16,244 | 6.10 |
| 501 - 1000 | 597 | 13.68 | 5,10,101 | 3.40 |
| 1001 - 2000 | 358 | 7.69 | 5,33,095 | 3.55 |
| 2001 - 3000 | 129 | 2.77 | 3,35,042 | 2.23 |
| 3001 - 4000 | 53 | 1.14 | 1,85,084 | 1.23 |
| 4001 - 5000 | 52 | 1.12 | 2,43,548 | 1.62 |
| 5001 -10000 | 99 | 2.13 | 6,99,041 | 4.65 |
| 10001 and above | 83 | 1.77 | 1,15,98,568 | 77.22 |
| Total | 4571 | 100.00 | 1,50,20,723 | 100.00 |

17) Pattern of Shareholding as on 31-03-2019:

| Sr. No | Category | No. of Shares | (%) |
|--------|----------------------------|--------------------|---------------|
| 1. | Promoters & Promoter group | 77,82,705 | 51.81 |
| 2. | Bodies Corporate | 3,85,524 | 2.57 |
| 3. | NRIs | 3,00,491 | 2.00 |
| 4. | Individuals / HUF | 65,08,101 | 43.33 |
| 5. | Clearing Members | 43,702 | 0.29 |
| 6. | Independent Directors | 200 | 0.00 |
| | TOTAL | 1,50,20,723 | 100.00 |

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

(i) Share Transfer System

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

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

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

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

1,39,27,023 equity shares comprising of 92.72% of the total equity shares of the Company are in dematerialized form.

(iii) Investors Correspondence:

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

19) Secretarial Audit for Reconciliation of Capital:

As stipulated by SEBI, Practicing Company Secretaries carry out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and report thereon is submitted to the Stock Exchange(s) where shares of the Company are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialized 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 – 382330 Gujarat and Survey no 228/A, Paiki 7, Paiki 2, Village - Narmad, Bhavnagar-364313, Gujarat

21) CEO/CFO Certification

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

22) Declaration for Compliance of Code of conduct:

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and according to the information provided/available, it is hereby confirmed that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2018-2019. The Code of Conduct is also posted on the website of the Company i.e www.architorg.com.

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

Date : August 13, 2019

Place : Ahmedabad

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

AUDITORS' CERTIFICATE

To,
The Members,
ARCHIT ORGANOSYS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Archit Organosys Limited** for the year ended 31st March, 2019, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with Stock Exchange(s).

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

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

We state that no investor grievance(s) is/are pending or 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 or the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Chirag R. Shah & Associates
Chartered Accountants

(Chirag R Shah)
Proprietor
Membership No. 106139

Date : August 13, 2019
Place : Ahmedabad

ANNEXURE IV**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31st March, 2019

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

| I REGISTRATION & OTHER DETAILS: | | | | | |
|---|--|--|------------------------------------|------------------|--------------------|
| i | CIN | L24110GJ1993PLC019941 | | | |
| ii | Registration Date | 4 th August, 1993 | | | |
| iii | Name of the Company | ARCHIT ORGANOSYS LIMITED | | | |
| iv | Category/Sub-category of the Company | Company Limited by shares / India Non Government Company | | | |
| v | Address of the Registered office & contact details | PLOT NO 25/9-A PHASE-III GIDC NARODA, AHMEDABAD - 382330 | | | |
| vi | Whether listed company | Yes | | | |
| vii | Name, Address & contact details of the Registrar & Transfer Agent, if any. | LINK INTIME INDIA PVT. LTD. 5th floor, 506-508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Near XT Xavier's College Corner, Off. C. G. Road, Navrangpura, Ahmedabad - 380009 Ph. No.: 079- 26465179 E mail: ahmedabad@linkintime.co.in | | | |
| II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY | | | | | |
| All the business activities contributing 10% or more of the total turnover of the company shall be stated | | | | | |
| SL No | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the company | | |
| 1 | Mono Chloco Acetic Acid | 24119 | 45.05 | | |
| 2 | Linear Alkyl Benzene | 24119 | 25.42 | | |
| 3 | Acetic Anhydride | 24119 | 11.00 | | |
| III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES | | | | | |
| Sr. No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
| N.A. | | | | | |

ARCHIT ORGANOSYS LIMITED

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

i) Category - wise share holding

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year* |
|---|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|---------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 7780705 | 0 | 7780705 | 51.65 | 7782705 | 0 | 7782705 | 51.81 | 0.16 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bank/Fl | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL:(A) (1) | 7780705 | 0 | 7780705 | 51.65 | 7782705 | 0 | 7782705 | 51.81 | 0.16 |
| (2) Foreign | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/Fl | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other... | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (A) (2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter(A)=(A)(1)+(A)(2) | 7780705 | 0 | 7780705 | 51.65 | 7782705 | 0 | 7782705 | 51.81 | 0.16 |
| B. PUBLIC SHAREHOLDING | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/Fl | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) 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 |
| b) Central Govt.or State Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SUB TOTAL (B)(1): | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (2) Non Institutions | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 354311 | 100000 | 454311 | 3.02 | 285524 | 100000 | 385524 | 2.57 | -0.45 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ` 1 lakhs | 2226832 | 992004 | 3218836 | 21.37 | 2137265 | 924800 | 3062065 | 20.38 | -0.99 |
| ii) Individuals shareholders holding nominal share capital in excess of ` 1 lakhs | 3043703 | 15000 | 3058703 | 20.30 | 3247254 | 15000 | 3262254 | 21.72 | 1.42 |
| c) Others (specify) | | | | | | | | | |
| NBFC | 0 | 0 | 0 | 0 | 3797 | 0 | 3797 | 0.03 | 0.03 |
| Hindu Undivided Family | 203852 | 0 | 203852 | 1.35 | 179985 | 0 | 179985 | 1.20 | -0.15 |
| NON RESIDENT INDIANS (REPAT) | 183517 | 53700 | 237217 | 1.57 | 213528 | 53700 | 267228 | 1.78 | 0.21 |
| NON RESIDENT INDIANS (NON REPAT) | 50943 | 0 | 50943 | 0.34 | 33263 | 0 | 33263 | 0.22 | -0.12 |
| CLEARING MEMBER | 58533 | 0 | 58533 | 0.39 | 43702 | 0 | 43702 | 0.29 | -0.11 |
| Director or Director's relatives | 0 | 200 | 200 | 0.00 | 0 | 200 | 200 | 0.00 | 0.00 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 6121691 | 1160904 | 7282595 | 48.35 | 6144318 | 1093700 | 7238018 | 48.19 | -0.16 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total (A+B+C) | 13902396 | 1160904 | 15063300# | 100.00 | 13927023 | 1093700 | 15020723# | 100.00 | 0.00 |

During the year, 42,577 partly paid up Equity shares have been forfeited.

(ii) SHARE HOLDING OF PROMOTERS

| Sl No. | Shareholders Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in share holding during the year |
|--------|-------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|---|
| | | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged encumbered to total shares | |
| 1 | Shri Kandarp Amin | 36,71,295 | 24.37 | 0 | 36,71,295 | 24.44 | 0 | 0* |
| 2 | Smt. Archana Amin | 26,95,515 | 17.89 | 0 | 26,95,515 | 17.95 | 0 | 0* |
| 3 | Shri Archit Amin | 6,47,700 | 04.30 | 0 | 6,49,700 | 04.33 | 0 | 0.03 |
| 4 | Shri Suchit Amin | 7,66,195 | 05.09 | 0 | 7,66,195 | 05.10 | 0 | 0* |
| | Total: | 77,80,705 | 51.65 | 0 | 77,82,705 | 51.81 | 0 | 0.03 |

Note: * As the total paid up share capital has been reduced on account of forfeiture of shares, there is change in % of Promoters' shareholding.

(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 | Shri Archit Amin | | | | |
| | At the beginning of the year i.e. 01/04/18 | 6,47,700 | 4.30 | | |
| | Purchase- 14-12-2018 | 2000 | 0.03 | | |
| | At the end of the year i.e. 31/03/2019 | | | 6,49,700 | 4.33 |

(iv) Shareholding Pattern of top ten Shareholders

(other than Directors, Promoters & Holders of GDRs & ADRs)

| 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 |
| | For Each of the Top 10 Shareholders | | | | |
| 1 | Sanjaykumar R. Patel | | | | |
| | At the beginning of the year i.e. 01/04/18 | 7,15,400 | 4.75 | | |
| | Sale-06-04-2018 | (21,172) | (0.14) | | |
| | Sale- 10-08-2018 | (11,281) | (0.07) | | |
| | Sale- 17-08-2018 | (1700) | (0.01) | | |
| | Sale- 24-08-2018 | (5000) | (0.04) | | |
| | Sale- 31-08-2018 | (5050) | (0.03) | | |
| | At the end of the year i.e. 31/03/2019 | | | 6,71,197 | 4.47 |
| 2 | Munjal M.Patel | | | | |
| | At the beginning of the year i.e. 01/04/18 | 4,75,000 | 3.15 | | |
| | No change during the year | - | - | | |
| | At the end of the year i.e. 31/03/2019 | | | 4,75,000 | 3.15 |

ARCHIT ORGANOSYS LIMITED

| 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 |
| 3 | Mansi M.Patel | | | | |
| | At the beginning of the year i.e. 01/04/18 | 4,75,000 | 3.15 | | |
| | No change during the year | - | - | | |
| | At the end of the year i.e. 31/03/2019 | | | 4,75,000 | 3.15 |
| 4 | Atul Parikh | | | | |
| | At the beginning of the year i.e. 01/04/18 | 1,00,000 | 0.66 | | |
| | Purchase- 01-03-2019 | 20,000 | - | | |
| | At the end of the year i.e. 31/03/2019 | | | 1,20,000 | 0.80 |
| 5 | N B Vijaya Kumar | | | | |
| | At the beginning of the year i.e. 01/04/18 | 85,106 | 0.57 | | |
| | Purchase- 05-10-2018 | 610 | 0.00 | | |
| | Purchase- 19-10-2018 | 721 | 0.05 | | |
| | Purchase- 26-10-2018 | 18,035 | 0.12 | | |
| | Purchase- 16-11-2018 | 7917 | 0.05 | | |
| | At the end of the year i.e. 31/03/2019 | | | 1,12,389 | 0.75 |
| 6 | Dheeraj Kumar Lohia | | | | |
| | At the beginning of the year i.e. 01/04/2018 | 16647 | 0.11 | | |
| | Sale - 25-05-2018 | (2842) | (0.02) | | |
| | Sale - 01-06-2018 | (1532) | (0.01) | | |
| | Sale - 15-06-2018 | (3355) | (0.02) | | |
| | Sale- 22-06-2018 | (4118) | (0.03) | | |
| | Purchase- 22-02-2019 | 103435 | 0.69 | | |
| | At the end of the year i.e. 31/03/2019 | | | 1,08,235 | 0.72 |
| 7 | Rajasthan Global Securities Private Limited | | | | |
| | At the beginning of the year i.e. 01/04/2018 | 54,734 | 0.36 | | |
| | Purchase- 06-07-2018 | 50,000 | 0.33 | | |
| | Sale- 01-02-2019 | (4174) | (0.03) | | |
| | Sale- 08-02-2019 | (15,683) | (0.10) | | |
| | Sale- 15-02-2019 | (10,624) | (0.07) | | |
| | At on i.e. 31/03/2019 | | | 74,253 | 0.49 |
| 8 | Lalit Dua | | | | |
| | At the beginning of the year i.e. 01/04/2018 | 0 | 0.00 | | |
| | Purchase- 13-04-2018 | 70,000 | 0.47 | | |
| | At the end of the year i.e. 31/03/2019 | | | 70,000 | 0.47 |
| 9 | Ashwiny Kumar | | | | |
| | At the beginning of the year i.e. 01/04/2018 | 55,000 | 0.37 | | |
| | Purchase- 25-05-2018 | 7500 | 0.05 | | |
| | Purchase- 08-06-208 | 500 | 0.00 | | |
| | Purchase- 15-06-2018 | 2500 | 0.02 | | |
| | Purchase- 22-06-2018 | 2500 | 0.02 | | |
| | Sale- 24-08-2018 | (2600) | (0.02) | | |
| | At the end of the year i.e. 31/03/2019 | | | 65,400 | 0.44 |
| 10 | Raj Narayan Sharma | | | | |
| | At the beginning of the year i.e. 01/04/2018 | 55,801 | 0.37 | | |
| | Purchase- 19-10-2018 | 713 | 0.01 | | |
| | Purchase- 26-10-2018 | 3486 | 0.02 | | |
| | Purchase- 23-11-2018 | 1529 | 0.01 | | |
| | Purchase- 14-12-2018 | 19 | 0.00 | | |
| At the end of the year i.e. 31/03/2019 | | | 61,548 | 0.41 | |

(v) Shareholding of Directors & KMP

| Sl. No. | For Each of the Directors & KMP | Shareholding at the beginning of the Year | | Cumulative Share holding during the year | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of Shares | % of total shares of the company |
| 1 | Shri Kandarp Amin | | | | |
| | At the beginning of the year i.e. 01/04/18 | 36,71,295 | 24.37 | | |
| | No change during the year | - | - | - | - |
| | At the end of the year i.e. 31/03/2019 | | | 36,71,295 | 24.44 |
| 2 | Smt. Archana Amin | | | | |
| | At the beginning of the year i.e. 01/04/18 | 26,95,515 | 17.89 | | |
| | No change during the year | - | - | - | - |
| | At the end of the year i.e. 31/03/2019 | | | 26,95,515 | 17.95 |
| 3 | Shri Archit Amin | | | | |
| | At the beginning of the year i.e. 01/04/18 | 6,47,700 | 4.30 | | |
| | Purchase- 14-12-2018 | 2000 | 0.03 | | |
| | At the end of the year i.e. 31/03/2019 | | | 6,49,700 | 4.33 |
| 4 | Shri Bhupendra Mehta | | | | |
| | At the beginning of the year i.e. 01/04/18 | 100 | 0.00 | | |
| | No change during the year | 0 | 0.00 | | |
| | At the end of the year i.e. 31/03/2019 | | | 100 | 0.00 |
| 5 | Shri Haresh Shah | | | | |
| | At the beginning of the year i.e. 01/04/18 | 100 | 0.00 | | |
| | No change during the year | | | | |
| | At the end of the year i.e. 31/03/2019 | | | 100 | 0.00 |
| 6 | Shri Rajendraprasad Shah | | | | |
| | At the beginning of the year i.e. 01/04/18 | 0 | 0.00 | | |
| | No change during the year | | | | |
| | At the end of the year i.e. 31/03/2019 | | | 0 | 0.00 |
| 7 | Mr. Darshan Kinkhabwala, Company Secretary | | | | |
| | At the beginning of the year i.e. 01/04/18 | 0 | 0.00 | | |
| | No change during the year | | | | |
| | As on i.e. 16/03/2019(date of cessation) | | | 0 | 0 |
| 8 | Ms. Anchal Bansal, Company Secretary | | | | |
| | As on i.e. 16/03/2019 (date of Appointment) | 0 | 0 | 0 | 0 |
| | No change during the year | - | - | - | - |
| | At the end of the year i.e. 31/03/2019 | | | 0 | 0 |
| 9 | Mr. Bharatkumar Shrimali, Chief Financial Officer | | | | |
| | At the beginning of the year i.e. 01/04/18 | 0 | 0 | 0 | 0 |
| | No change during the year | - | - | - | - |
| | As on i.e. 23/04/2018 (date of cessation) | | | | |
| 10 | Mr. Jilesh Gandhi, Chief Financial Officer | | | | |
| | At the time of Appointment i.e. 23/04/2018 | 0 | 0 | 0 | 0 |
| | No change during the year | - | - | - | - |
| | As on i.e. 11/07/2018 (date of cessation) | | | 0 | 0 |
| 11 | Mr. Gajendrasingh Rajput, Chief Financial Officer | | | | |
| | At the time of Appointment i.e. 11/07/2018 | 0 | 0 | 0 | 0 |
| | No change during the year | - | - | - | - |
| | At the end of the year i.e. 31/03/2019 | | | 0 | 0 |

ARCHIT ORGANOSYS LIMITED

V INDEBTEDNESS

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

(Amount in lacs)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|--|--------------------|----------|-----------------------|
| Indebtness at the beginning of the financial year | | | | |
| i) Principal Amount | 3602.41 | - | - | 3602.41 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 3602.41 | - | - | 3602.41 |
| Change in Indebtedness during the financial year | | | | |
| Additions | 707.38 | - | - | 707.38 |
| Reduction | (592.47) | - | - | (592.47) |
| Net Change | 114.91 | - | - | 114.91 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 3717.32 | - | - | 3717.32 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 3717.32 | - | - | 3717.32 |

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 | Shri Kandarp Amin | Smt. Archana Amin | Shri Archit Amin | |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | 60,00,000 | 60,00,000 | 36,00,000 | 1,56,00,000 |
| (b) | Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - | |
| (c) | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | |
| 2 | Stock option | - | - | - | |
| 3 | Sweat Equity | - | - | - | |
| 4 | Commission | - | - | - | |
| | - as % of profit | - | - | - | |
| | - others (specify) | - | - | - | |
| 5 | Others, please specify | | | | |
| | Total (A) | 60,00,000 | 60,00,000 | 36,00,000 | 1,56,00,000 |
| | Ceiling as per the Act (Within the limits prescribed under Schedule V) | 84,00,000 | 84,00,000 | 84,00,000 | - |

B. Remuneration to other directors:

| Sl.No | Particulars of Remuneration | Name of the Directors |
|-------|--|--|
| 1 | Independent Directors | None |
| (a) | Fee for attending board committee meetings | |
| (b) | Commission | |
| (c) | Others, please specify | |
| | Total (1) | |
| 2 | Other Non Executive Directors | |
| (a) | Fee for attending board committee meetings | |
| (b) | Commission | |
| (c) | Others, please specify. | |
| | Total (2) | |
| | Total (B)=(1+2) | |
| | Total Managerial Remuneration | 1,56,00,000 |
| | Overall Ceiling as per the Act. | Within the limits prescribed under schedule V i.e. ₹ 84,00,000/- for each director. |

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

| Sl. No. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---------|--|--------------------------|-------------------|-----------------|-----------------|
| | | *CEO | Company Secretary | CFO | Total |
| 1 | Gross Salary | | | | |
| (a) | Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | - | 2,54,967 | 2,85,797 | 5,40,764 |
| (b) | Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - | - |
| (c) | Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission as % of profit others, specify | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 2,54,967 | 2,85,797 | 5,40,764 |

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

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties / punishments / compounding of offences for the year ended on 31st March, 2019.

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

**Place : Ahmedabad
Date : August 13, 2019**

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

ANNEXURE V

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION:

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

Objectives:

- To provide guidance to the Board for appointment and removal of Directors, KMP and Senior Management;
- To formulate criteria for performance evaluation of Directors, KMP and Senior Management and to provide necessary evaluation report to the Board;
- To recommend to the Board remuneration payable to the Directors, KMP and Senior Management.

Role of Nomination and Remuneration Committee:

The Committee shall perform the role for following matters:

Criteria for appointment of Director:

- To determine the age, qualifications, qualities, skills, positive attributes and independence of a director and other expertise required to be a Director.

Nomination of directors:

- Identifying, screening and reviewing candidates qualified to be appointed as Executive Directors, Non-Executive Directors and Independent Directors.
- Recommending to the Board candidature for appointment or re-appointment of Directors;
- The Nomination and Remuneration Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board of Directors. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it deem fit and appropriate, passing on the recommendations for the nomination to the Board.

Evaluation of Director:

- The Committee develops, subject to approval by the Board, a process for an annual evaluation of the performance of the Board, the individual directors on the basis of detailed performance parameters set for directors at the beginning of the year.
- The Committee may, from time-to-time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

Consultative role:

- The Nomination and Remuneration Committee plays a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for senior management positions. It provides its advice and recommendations to the Board.

Senior Management of the Company consist of:

All the officers / personnel of the Company involved in the core management team and all the members excluding the Board of Directors of the management that are one level below CEO / MD / WTD / Manager and includes the Chief financial officer and Company Secretary of the Company.

Evaluation of KMP and Senior Management:

- The committee shall annually review and approve for the KMP and Senior Management the corporate goals and objectives applicable to them, evaluate at least annually their performance in light of those goals and objectives, and determine and approve their (a) annual base salary, (b) annual incentive bonus, including the specific goals and amount, (c) any other benefits, compensation or arrangements, based on this evaluation.

- The Committee may also make recommendations to the Board with respect to incentive compensation plans. The committee may review the Company's incentive compensation arrangements to determine whether they encourage excessive risk-taking, review and discuss at least annually the relationship between risk management policies and practices and compensation, and evaluate compensation policies and practices that could mitigate any such risk.

Duties of Nomination and Remuneration Committee:

A. The duties of the Committee in relation to nomination matters include:

- To ensure that appropriate induction and training programme are in place for new Directors and members of Senior Management and to periodically review its effectiveness;
- To ensure that on appointment, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- To ensure that the Independent Directors continues to fulfill the Independence criteria as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- To determine the appropriate size, diversity and composition of the Board;
- To identify and recommend names of Directors who are to retire by rotation;
- To set up a formal and transparent procedure for selecting Directors for appointment to the Board;
- To evaluate the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- To develop a succession plan for the Board and Senior Management and to regularly review the plan;
- To recommend necessary changes in the Board;
- To delegate any of its powers to the members or the Secretary of the Committee;
- To decide for extension or to continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- To consider any other matters as may be requested by the Board.

B. The duties of the Committee in relation to remuneration matters include:

- To recommend the remuneration payable to the Senior Management of the Company in accordance with the Remuneration Policy of the Company and while designing the remuneration package it must consider that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- To ensure that the remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- To delegate any of its powers to the members or the Secretary of the Committee;
- To consider any other matters as may be requested by the Board.

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

**Place : Ahmedabad
Date : August 13, 2019**

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

ANNEXURE VI

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED on March 31, 2019

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

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

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

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

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

- 1) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 -Not Applicable as the Company has not issued any Shares / options to the Directors /Employees under the said Regulations during the year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 -Not Applicable as the Company has not issued any debt securities during the year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable as the securities of the Company have not been delisted from any Stock Exchange 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.

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

- i. Secretarial Standards issued by The Institute of the Company Secretaries of India (ICSI) and made effective from time to time.
- ii. The Uniform Listing Agreement entered into by the Company with BSE Limited.

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

We further report that:

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

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

We further report that:

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

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

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

We further report that :

Based on the review of compliance mechanism established by the Company, the information provided by the Company, its officers and authorized representatives during the conduct of the audit, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable general laws, rules, regulations and guidelines such as Labour Laws, the Trade Marks Act, 1999, the Indian Copyright Act, 1957, the Patents Act, 1970.

We further report that:

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

We further report that :

During the audit period under review, there were no instances of:

- a) Public/Right issue of shares/ debentures/sweat equity etc.;
- b) Redemption / buy-back of securities;
- c) Obtaining the approval from Shareholders under Section 180 of the Companies Act, 2013;
- d) Merger / amalgamation / reconstruction, etc.;
- e) Foreign technical collaborations.

**FOR KINKHABWALA & ASSOCIATES
COMPANY SECRETARIES**

**DARSHAN KINKHABWALA
PROPRIETOR
PRACTICING COMPANY SECRETARY
ACS No.: 53260 C. P. No.: 21883**

Date : July 30, 2019

Place : Ahmedabad

Note:

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

ARCHIT ORGANOSYS LIMITED

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 KINKHABWALA & ASSOCIATES
COMPANY SECRETARIES

Date : July 30, 2019
Place : Ahmedabad

DARSHAN KINKHABWALA
PROPRIETOR
PRACTICING COMPANY SECRETARY
ACS No.: 53260 C. P. No.: 21883

ANNEXURE VII

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

- i. **Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year ended 31st March, 2019;**

(Amount in `)

| Sr. No. | Director | Remuneration | Median Remuneration | Ratio |
|---------|--------------------------------------|--------------|---------------------|---------|
| 1. | Shri Kandarp K. Amin | 60.00 Lacs | 1.92 Lacs | 31.25:1 |
| 2. | Smt. Archana K. Amin | 60.00 Lacs | 1.92 Lacs | 31.25:1 |
| 3. | Shri Archit K. Amin (W.e.f 12/05/17) | 36.00 Lacs | 1.92 Lacs | 18.75:1 |

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

| Sr. No. | Key Managerial Personnel | % increase |
|---------|---|------------|
| 1. | Shri Kandarp K. Amin, Whole Time Director | 12.67 |
| 2. | Smt. Archana K. Amin, Whole Time Director | 12.67 |
| 3. | Shri Archit K. Amin, Whole Time Director | 11.63 |
| 4. | Company Secretary | 86.92 |
| 5. | Chief Financial Officer | 21.05 |

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

Overall, there was no increase in the median remuneration of the employees in the financial year.

- iv. **The Company has 109 permanent employees on the rolls of company**

(Out of Total 109 permanent employees, 77 employees are working at Bhavnagar unit and remaining 32 working at Naroda unit & Corporate Office)

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

Payment of salary of non-managerial personnel is based on different grades, experience and qualification. The same is in line with the industrial pattern.

The increase in remuneration of Whole Time Directors is in accordance with the remuneration policy and approval taken from the members of the Company.

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

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

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

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

Archit Organosys Limited
By Order of the Board

Place : Ahmedabad
Date : August 13, 2019

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

ANNEXURE – VIII**FORM NO. AOC -2****(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

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

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

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

2. Details of material 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 | |

(₹ in Lacs)

| Name (s) of the related party | Details | | | | | |
|-------------------------------|---------------------------------------|--|---|---|-------------------------------|---------------------------------|
| | Nature of relationship | Nature of contracts/ arrangements/ transaction | Duration of the contracts/ arrangements/ transaction | Salient terms of the contracts or arrangements or transaction including the value, if any | Date of approval by the Board | Amount paid as advances, if any |
| M/s. Kalindi Impex | Firm in which the Director is Partner | Purchases | 1 st April, 2018 to 31 st March, 2019 | 15.00 | - | NIL |
| | | Packing Expense | | 3.57 | | NIL |
| M/s. Krishna Orgochem | Proprietary firm of Director | Purchases | 1 st April, 2018 to 31 st March, 2019 | 15.68 | - | NIL |
| | | Packing Expense | | 12.03 | | NIL |
| Archit Advance Materials | Firm in which the Director is Partner | Sale | 1 st April, 2018 to 31 st March, 2019 | 36.50 | - | NIL |
| Kandarp Amin | Whole Time Director | To avail services (taken property on rent) | 1 st April, 2018 to 31 st March, 2019 | 7.80 | - | NIL |
| Archana Amin | Whole Time Director | To avail services (taken property on rent) | 1 st July, 2017 to 30 th June, 2022 | 36.50 | - | NIL |
| Shimoli Amin | Relative of Director | To avail services (taken property on rent) | 1 st July, 2017 to 30 th June, 2022 | 10.53 | - | NIL |
| Manini Amin | Relative of Director | To avail services (taken property on rent) | 1 st July, 2017 to 30 th June, 2022 | 6.40 | - | NIL |
| Suchit Amin | Relative of Director | Payment of remuneration | 1 st April, 2018 to 31 st March, 2019 | 29.40 | - | NIL |
| Shimoli Amin | Relative of Director | Payment of remuneration | 1 st April, 2018 to 31 st March, 2019 | 9.00 | - | NIL |
| Manini Amin | Relative of Director | Payment of remuneration | 1 st April, 2018 to 31 st March, 2019 | 9.00 | - | NIL |

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

**For Archit Organosys Limited
By Order of the Board**

**Place : Ahmedabad
Date : August 13, 2019**

**(Kandarp K. Amin)
Chairman and Whole Time Director
DIN: 00038972**

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
ARCHIT ORGANOSYS LIMITED,
Ahmedabad.

Report on the Audit of the Financial Statements**Qualified Opinion**

We have audited the accompanying financial statements of **ARCHIT ORGAONSYS LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion* the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- (i) *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 '97.52 lacs against which the sum of '55.07 lacs 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 lacs against the balance loss of '42.46 lacs, the liability on account of aforesaid loss, as per bank statement provided up to 31st January, 2013 stands to ' 47.07 including interest, which has not been provided for by the company. Such non provision of liability has resulted into noncompliance of Ind AS 37 issued by Institute of Chartered Accountants of India and also resulted into understatement of current liabilities. Since the interest/charges, if any, for the period from 1st February, 2013 to 31st March, 2019 has not been intimated to company, the impact thereof on loss for the year under review could not be ascertained.*

Had the observations made by us in Para above been considered, there would have been loss for the year amounting to '772.71 lacs as against reported loss of ' 625.64, current liabilities would have been '3273.25 lacs as against reported current liabilities of '3126.18 lacs.

- (ii) *A Legal case is filed by appropriate authorities alleging a director and an employee of the company causing death of Blackbucks due to drinking of contaminated water. The matter is still sub- judice pending for final adjudication. Meanwhile, the Gujarat Pollution Control Board, vide its order issued in terms of provisions of Section 33A of Water (Prevention and Control of Pollution) Act, 1974 directed the company to close its production process at Bhavnagar unit with immediate effect. In response, upon application made by the company and representation made before the authority, the Gujrat Pollution Control Board vide its order dated 5th November, 2018 conditionally withdrew the said order and therefore the company has resumed it's operations at Bhavnagar unit by placing necessary measures.*

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

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexure to Board's Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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 of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

ARCHIT ORGANOSYS LIMITED

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

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure - A - a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and the 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative 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 Chirag R. Shah & Associates
[Firm Registration No. 118791W]
Chartered Accountants

(Chirag R. Shah)
Proprietor

Membership No. 106139

Date : May 30, 2019
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 loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained u/s.189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to rules made by the Central Government. We are of the opinion that prima facie the prescribed accounts and records have been maintained and being made. We have not, however, made a detailed examination of these records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at 31st March, 2019 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at 31st March, 2019 other than stated below:

| Name of the Statute | Nature of Dues | Amount in Rs. | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|---------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 0.13 | F.Y. 2013-2014 | CPC (Begaluru) |

- (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) during the year or term loans and hence reporting under clause (ix) is not applicable.
- (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.

ARCHIT ORGANOSYS LIMITED

- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Chirag R. Shah & Associates
[Firm Registration No. 118791W]
Chartered Accountants

(Chirag R. Shah)
Proprietor
Membership No. 106139

Date : May 30, 2019
Place : Ahmedabad

Annexure - B to the Independent Auditors' Report

(Referred to in our Report of even date to the members of **Archit Organosys Limited**)

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 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chirag R. Shah & Associates
[Firm Registration No. 118791W]
Chartered Accountants

(Chirag R. Shah)
Proprietor
Membership No. 106139

Date : May 30, 2019

Place : Ahmedabad

BALANCE SHEET AS AT 31ST MARCH 2019

[` in Lacs]

| Particulars | Notes | As at 31 March 2019 | As at 31 March 2018 |
|--|-------|------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 4 696.64 | 4 730.05 |
| Intangible assets | 6 | 4.90 | 7.45 |
| Capital work-in-progress | 7 | 484.63 | 766.61 |
| Financial assets | | | |
| - Other financial assets | 8 | 78.38 | 78.17 |
| Other non-current assets | 9 | 68.55 | 116.30 |
| | | <u>5 333.10</u> | <u>5 698.58</u> |
| Current assets | | | |
| Inventories | 10 | 584.46 | 710.96 |
| Financial assets | | | |
| - Trade receivables | 11 | 1 435.05 | 3 136.24 |
| - Cash and cash equivalents | 12 | 489.92 | 74.24 |
| - Other bank balances | 13 | 0.00 | 2.90 |
| - Loans | 14 | 397.33 | 2.62 |
| - Other financial assets | 15 | 84.29 | 89.34 |
| Other current assets | 16 | 60.39 | 404.75 |
| Current tax assets(Net) | 17 | 26.92 | 7.61 |
| | | <u>3 078.36</u> | <u>4 428.66</u> |
| Total assets | | <u>8 411.46</u> | <u>10 127.24</u> |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 18 | 1 502.07 | 1 504.20 |
| Other equity | 19 | 1 990.15 | 2 455.40 |
| | | <u>3 492.22</u> | <u>3 959.60</u> |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 20 | 1 773.32 | 1 922.54 |
| Provisions | 21 | 19.74 | 18.22 |
| Deferred tax liabilities (net) | 22 | 0.00 | 152.49 |
| | | <u>1 793.06</u> | <u>2 093.25</u> |
| Current liabilities | | | |
| Financial liabilities | | | |
| - Borrowings | 23 | 1 366.29 | 826.91 |
| - Trade Payables | 24 | | |
| total outstanding dues of micro enterprises and small enterprises | | 17.05 | 5.08 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | | 1 044.64 | 2 157.80 |
| - Other financial liabilities | 25 | 630.01 | 1 026.18 |
| Other current liabilities | 26 | 38.57 | 28.43 |
| Provisions | 27 | 24.53 | 24.90 |
| Current-tax liabilities | 28 | 5.09 | 5.09 |
| | | <u>3 126.18</u> | <u>4 074.39</u> |
| Total liabilities | | <u>4 919.24</u> | <u>6 167.64</u> |
| Total equity and liabilities | | <u>8 411.46</u> | <u>10 127.24</u> |

The accompanying notes form an integral part of these financials statements

As per our attached report of even date

FOR Chirag R. Shah & Associates

[Firm Registration No. 118791W]

Chartered Accountants

Chirag R Shah

Proprietor

Mem. No. 106139

Place : Ahmedabad

Date : May 30, 2019

For and on behalf of Board of Directors of
ARCHIT ORGANOSYS LIMITED**Kandarp K Amin**
Whole Time Director
DIN: 00038972**Archana K Amin**
Whole Time Director
DIN: 00038985**Gajendra Rajput**
Chief Financial Officer**Anchal Bansal**
Company Secretary

Place : Ahmedabad

Date : May 30, 2019

ARCHIT ORGANOSYS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

[` in Lacs]

| Particulars | Notes | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|-------|--|--|
| Income | | | |
| Revenue from operations | 29 | 8 466.98 | 8 170.99 |
| Other income | 30 | 337.63 | 284.76 |
| Total income | | 8 804.61 | 8 455.75 |
| Expenses | | | |
| Cost of materials consumed | 31 | 3 317.77 | 2 274.93 |
| Excise duty | 32 | 0.00 | 17.04 |
| Purchases of traded goods | 33 | 3 794.59 | 4 227.70 |
| Changes in inventories of finished goods and work-in-progress | 34 | (36.96) | (247.24) |
| Employee benefits expense | 35 | 536.20 | 505.52 |
| Finance costs | 36 | 359.46 | 365.91 |
| Depreciation and amortization expense | 37 | 278.61 | 258.86 |
| Other expenses | 38 | 1 180.58 | 1 014.63 |
| Total expenses | | 9 430.25 | 8 417.35 |
| Profit/(loss) before tax | | (625.64) | 38.40 |
| Tax expense: | | | |
| Current tax | | 0.00 | 8.55 |
| Tax of earlier periods | | 0.00 | 0.00 |
| Deferred tax | | (154.04) | (12.46) |
| MAT credit entitlement | | 0.00 | (8.55) |
| Income tax expense | | (154.04) | (12.46) |
| Profit /(Loss) for the year | | (471.60) | 50.86 |
| Other comprehensive income | | | |
| Items not to be reclassified to profit or loss in subsequent periods | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | 5.76 | (1.74) |
| tax relating to remeasurement of the defined benefit plans | | (1.54) | 0.65 |
| Other comprehensive income/ (expense) for the year | | 4.22 | (1.09) |
| Total comprehensive income for the year | | (467.38) | 49.77 |
| Earnings per equity share | | | |
| Basic and diluted earnings per equity shares | 39 | (3.14) | 0.34 |

The accompanying notes form an integral part of these financials statements

As per our attached report of even date
FOR Chirag R. Shah & Associates
 [Firm Registration No. 118791W]
Chartered Accountants

Chirag R Shah
Proprietor
 Mem. No. 106139

Place : Ahmedabad
 Date : May 30, 2019

For and on behalf of Board of Directors of
ARCHIT ORGANOSYS LIMITED

Kandarp K Amin **Archana K Amin**
 Whole Time Director Whole Time Director
 DIN: 00038972 DIN: 00038985

Gajendra Rajput **Anchal Bansal**
 Chief Financial Officer Company Secretary

Place : Ahmedabad
 Date : May 30, 2019

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

[` in Lacs]

| Particulars | 2018-2019 | 2017-2018 |
|--|----------------|-----------------|
| A. Cash flow from operating activities: | | |
| Profit/(Loss) for the year before taxation | (625.64) | 38.40 |
| Adjustments for | | |
| Depreciation and Amortization | 278.61 | 258.86 |
| Depreciation written back | 0.00 | (0.23) |
| Finance Cost | 359.46 | 365.91 |
| Interest Income | (43.88) | (27.54) |
| Profit on sale of Fixed Assets | (13.30) | 0.61 |
| Remeasurement gain/(loss) I defined benefit plans | 5.76 | (1.74) |
| Unrealised (gain)/loss on forward valuation | (23.25) | (2.04) |
| Income Tax written back | 0.00 | (3.52) |
| Sundry Balance Written Back | (5.89) | (2.96) |
| Sundry Balance Written Off | 2.98 | 0.57 |
| Operating profit before working capital changes | <u>(65.15)</u> | <u>626.32</u> |
| Adjustments for Changes in working capital | | |
| Decrease / (Increase) in Inventories | 126.50 | (461.80) |
| Decrease / (Increase) in Other Non current financial assets | (0.21) | 0.00 |
| Decrease / (Increase) in Other Non current assets | 47.75 | 0.00 |
| Decrease / (Increase) in Other current financial asset | 5.05 | 0.00 |
| Decrease / (Increase) in Other bank balances | 2.90 | 0.35 |
| Decrease / (Increase) in Other current assets | 344.36 | 0.00 |
| Decrease / (Increase) in Loans | (394.71) | 128.91 |
| Decrease / (Increase) in Trade Receivables | 1 707.08 | (2 002.53) |
| Increase / (Decrease) in Trade Payables | (1 080.91) | 1 415.14 |
| Increase / (Decrease) in Other current financial liabilities | (396.17) | (45.62) |
| Increase / (Decrease) in Other current liabilities | 10.14 | 0.00 |
| Increase / (Decrease) in Provision | 1.15 | 0.00 |
| Cash generated from operations | <u>307.78</u> | <u>(339.23)</u> |
| Direct taxes Refund/(paid) | <u>(19.31)</u> | <u>(37.89)</u> |
| Net cash from operating activities [A] | <u>288.47</u> | <u>(377.12)</u> |
| B. Cash flow from investing activities | | |
| Purchase of fixed assets | (107.00) | (1 005.64) |
| Sale of Fixed Assets | 159.63 | 60.68 |
| Interest received | 43.88 | 4.30 |
| Net Cash from / (used in) investing activities [B] | <u>96.51</u> | <u>(940.66)</u> |

ARCHIT ORGANOSYS LIMITED

| Particulars | [` in Lacs] | |
|--|--------------|-----------|
| | 2018-2019 | 2017-2018 |
| C. Cash flow from financing activities | | |
| Procurement/(Repayment) of long/ short term borrowings | 390.16 | 453.30 |
| Proceeds from issue of equity share capital / Calls-in-arrears | 0.00 | 499.98 |
| Proceeds from securities premium | 0.00 | 749.97 |
| Interest paid | (359.46) | (366.66) |
| Net cash flow from financial activities [C] | 30.70 | 1 336.59 |
| Net Increase/(Decrease) in cash and cash equivalents [A+B+C] | 415.68 | 18.81 |
| Cash and cash equivalents opening | 74.24 | 55.43 |
| Cash and cash equivalents closing | 489.92 | 74.24 |
| Components of cash and cash equivalent | | |
| Balances with scheduled banks | 473.41 | 3.95 |
| Cash in hand | 2.98 | 5.24 |
| Fixed Deposits | 13.53 | 65.05 |
| | 489.92 | 74.24 |

Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared by using indirect method in accordance with the format prescribed by Indian Accounting Standard 7.
- 2 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.
- 3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation.
- 4 Disclosure of debt reconciliation statement in accordance with IND AS 7

| Particulars | [` in Lacs] | | | |
|-------------|-----------------------|---------------|------------------|------------------------|
| | As at 1st April, 2017 | Net Cash flow | Non-cash changes | As at 31st March, 2019 |
| Borrowings | 2 749.45 | 395.08 | (4.92) | 3 139.61 |

As per our attached report of even date
FOR Chirag R. Shah & Associates
 [Firm Registration No. 118791W]
Chartered Accountants

Chirag R Shah
Proprietor
 Mem. No. 106139

Place : Ahmedabad
 Date : May 30, 2019

For and on behalf of Board of Directors of
ARCHIT ORGANOSYS LIMITED

Kandarp K Amin **Archana K Amin**
 Whole Time Director Whole Time Director
 DIN: 00038972 DIN: 00038985

Gajendra Rajput **Anchal Bansal**
 Chief Financial Officer Company Secretary

Place : Ahmedabad
 Date : May 30, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A. Equity share capital

| | [` in Lacs] |
|--|-----------------|
| As at April 1, 2017 | 1 504.20 |
| Issue of Equity Share capital | 0.00 |
| As at March 31, 2018 | 1 504.20 |
| Forfeiture of Equity Share capital (Refer Note 18) | (2.13) |
| As at March 31, 2019 | 1 502.07 |

B. Other equity

| Particulars | Reserves and Surplus | | | | | Total comprehensive income, (Remeasurement of employee benefits) | equity Reserves |
|---|----------------------|------------------|----------------------------|-----------------|----------------|--|-----------------|
| | Retained earnings | Security premium | Capital Redemption Reserve | General Reserve | | | |
| Balance as at April 1, 2017 | 554.98 | 1 107.88 | 1.44 | 1.50 | (10.15) | 1 655.65 | |
| Add :Addition during the year | 0.00 | 753.17 | 0.00 | 0.00 | 0.00 | 753.17 | |
| Profit / (Loss) for the year | 50.86 | 0.00 | 0.00 | 0.00 | 0.00 | 50.86 | |
| Less : Calls in arrears | | (3.19) | 0.00 | 0.00 | 0.00 | (3.19) | |
| Appropriation/Utilisation | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | |
| Other comprehensive income for the year | 0.00 | 0.00 | 0.00 | 0.00 | (1.09) | (1.09) | |
| Balance as at March 31, 2018 | 605.84 | 1 857.86 | 1.44 | 1.50 | (11.24) | 2 455.40 | |
| Add: Addition due to forfeiture of Equity (Right issue) | 0.00 | 0.00 | 5.32 | 0.00 | 0.00 | 5.32 | |
| Profit / (Loss) for the year | (471.60) | 0.00 | 0.00 | 0.00 | 0.00 | (471.60) | |
| Less : Deduction due to forfeiture of Equity (Right issue) | 0.00 | (3.19) | 0.00 | 0.00 | 0.00 | (3.19) | |
| Other comprehensive income for the year | 0.00 | 0.00 | 0.00 | 0.00 | 4.22 | 4.22 | |
| Balance as at March 31, 2019 | 134.24 | 1 854.67 | 6.76 | 1.50 | (7.02) | 1 990.15 | |

The accompanying notes form an integral part of these financials statements

As per our attached report of even date
FOR Chirag R. Shah & Associates
 [Firm Registration No. 118791W]
 Chartered Accountants

Chirag R Shah
 Proprietor
 Mem. No. 106139

Place : Ahmedabad
 Date : May 30, 2019

For and on behalf of Board of Directors of
ARCHIT ORGANOSYS LIMITED

| | |
|---|---|
| Kandarp K Amin Whole Time Director DIN: 00038972 | Archana K Amin Whole Time Director DIN: 00038985 |
| Gajendra Rajput Chief Financial Officer | Anchal Bansal Company Secretary |

Place : Ahmedabad
 Date : May 30, 2019

NOTES TO STANDALONE FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Note 1: Company Overview

Archit Organosys Limited is a Public Company, domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The company's shares are listed on Bombay Stock Exchange the Company is mainly engaged in the business of Manufacturing and Trading of Chemicals. The registered office of the Company is located at Plot No 25/9-A Phase-III, GIDC Naroda, Ahmedabad 382330.

The financial statements for the year ended March 31, 2019 were considered by the Board of Directors and approved for issuance on May 30, 2019.

Note 2: Basis of Preparation

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable. Accounting Policies have been consistently applied except where newly issued accounting standard is initially adopted or revision to the existing standards requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an on-going basis.

The financial statements are prepared in INR and all the values are rounded to the nearest lakhs, except when otherwise indicated.

2.1 Statement of Compliance

The financial statements comprising Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Cash Flow Statement, together with notes for the year ended March 31, 2019 have been prepared in accordance with Ind AS as notified under section 133 of the Companies' Act, 2013 ("the Act") and approved by Board of directors on May 30, 2019

2.2 Basis of Measurement

The financial statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis of accounting, except for certain Assets and Liabilities as stated below:

- (a) Financial instruments (assets / liabilities) classified as Fair Value through profit or loss or Fair Value through Other Comprehensive Income are measured at Fair Value.
- (b) The defined benefit asset/liability is recognized as the present value of defined benefit obligation less fair value of plan assets.

The above items have been measured at Fair Value and the methods used to measure Fair Values are discussed further in Note 4.16.

2.3 Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). Indian Rupee is the functional currency of the Company.

The financial statements are presented in Indian Rupees (₹) and all values are rounded to the nearest lakhs as per the requirement of Schedule III, except when otherwise indicated.

2.4 Standard issued but not yet effective

Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, ('the Rules') on March 30, 2019. The rules notify the new Lease Standard Ind AS 116 'Leases' and also bring in amendments to existing Ind AS. The rules shall be effective from reporting period beginning on or after April 1, 2019 and cannot be reported early. Hence, not applied in the preparation of these financial statements. The company is in the process of evaluating the impact of such new or amended standards on the financial statement of the company. However, in the opinion of the company, the impact on carrying values of assets and liabilities will not be significant in value terms.

Note 3: Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets,

liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expense during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the periods in which the estimates are revised and in future periods which are affected.

Critical Accounting Estimates and Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

(i) Contingences and Commitments

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, such liabilities are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the management do not expect them to have a materially adverse impact on our financial position or profitability.

(ii) Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iii) Employee Benefits

Discount rate used to determine the carrying amount of the Company's defined benefit obligation.

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Individual trade receivables are written off when management deems it not to be collectible.

(v) Allowance for uncollectible trade receivables

Provision matrix takes into accounts historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the day of the receivables are due and the rates as given in the provision matrix.

(vi) Impairment of Property, Plant & Equipment

The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss which is material in nature is accounted for.

(vii) Litigations

The provision is recognized based on the best estimate of the amount desirable to settle the present obligation arising at the reporting period and of the income is recognized in the cases involving high degree of certainty as to realization.

(viii) Useful Life of Property, Plant and Equipment

As described in Note 4.3, the Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. During the current financial year, the management determined that there were no changes to the useful lives and residual values of the property, plant and equipment.

Note 4: Significant Accounting Policies

4.1 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

Financial Assets comprises of investments in equity instruments, trade receivables, cash and cash equivalents and other financial assets.

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit or Loss, transaction costs that are attributable to the acquisition of financial assets. Purchases or sales of financial assets that requires delivery of assets within a period of time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the company committed to purchase or sell the asset.

Subsequent Measurement:

(i) Financial assets measured at amortized Cost:

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and where contractual terms of financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at Fair Value through Other Comprehensive Income (FVTOCI):

Financial Assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognized in Other Comprehensive Income.

Equity instruments held for trading are classified as at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same as FVTOCI. The classification is made on initial recognition and is irrevocable. Fair Value changes on equity instruments at FVTOCI, excluding dividends are recognized in Other Comprehensive Income (OCI).

(iii) Fair Value through Profit or Loss (FVTPL):

Financial Assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the Statement of Profit and Loss.

De-recognition of Financial Assets:

Financial Assets are derecognized when the contractual rights to cash flows from the financial assets expire or the financial asset is transferred and the transfer qualifies for de-recognition. On de-recognition of the financial assets in its entirety, the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in the Statement of Profit and Loss.

(b) Financial Liabilities

Initial Recognition and Measurement

Financial Liabilities are initially recognized at fair value plus any transaction costs, (if any) which are attributable to acquisition of the financial liabilities.

Subsequent Measurement:

Financial Liabilities are classified for subsequent measurement into following categories:

(i) Financial liabilities at Amortized Cost:

The Company is classifying the following under amortized cost:

- Borrowing from Banks
- Borrowing from Others
- Trade Payables
- Other Financial Liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus cumulative amortization using the effective interest method of any differences between the initial amount and maturity amount.

(ii) Financial liabilities at Fair Value through Profit or Loss:

Financial liabilities held for trading are measured at Fair Value through Profit or Loss

De-recognition of Financial Liabilities:

Financial liabilities shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

(c) Offsetting of Financial assets and Financial Liabilities

Financial assets and Financial Liabilities are offset and the net amount is presented in Balance Sheet when, and only when, the Company has legal right to offset the recognized amounts and intends either to settle on the net basis or to realize the assets and liabilities simultaneously.

(d) Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI, and financial assets or liabilities that are specifically designated as FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines the change in a business model as a result of external or internal changes which are significant to the Company's Operations. A Change in business occurs when the company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively effective from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

4.2 Share Capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognized as a deduction from equity, net of any tax effects.

4.3 Property, Plant and Equipment

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated. All repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Properties in the course of construction for supply of services or administrative purpose are carried at cost, less any recognised impairment loss. Cost includes professional fees and other directly attributable cost and for qualifying assets, borrowing cost capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of Property Plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives as prescribed under Part C of Schedule II to the Companies Act 2013, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. Leasehold land with lease term of 99 years or more and it is amortized over the period of lease i.e. 99 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and are recognised net within "other income / other expenses" in the Statement of profit and loss.

4.4 Intangible assets

Intangible Assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in statement of profit and loss when the asset is de-recognised.

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

| Type of Asset | Useful Life |
|----------------------|--------------------|
| Computer software | 3 years |

4.5 Inventories

- (i) Raw Materials, Stock-in-process, Finished Goods are valued at lower of cost or net realizable value. Cost of stock-in-process and finished goods include materials, labour, manufacturing overhead and other cost incurred in bringing the inventories to their present location.
- (ii) Stock of stores, spares, consumable and packing materials are valued at cost.

4.6 Impairment

(a) Financial assets (other than at fair value)

The Company assesses at each date of balance sheet, whether a financial asset or a company of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the twelve-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly, since initial recognition.

(b) Non-financial assets

Tangible and Intangible assets

Property, Plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is an indication that their carrying amounts may not be recoverable. If any such indication exists, the

recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

4.7 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rates that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A provision for onerous contract is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with the contract.

Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

4.8 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of Goods

- (i) Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 0 to 180 days upon delivery, usually backed by financial arrangements.
- (ii) The Company accounts for pro forma credits, refunds of duty of customs or excise, or refunds of sales tax/ GST in the year of admission of such claims by the concerned authorities. Export benefits are classified as other operating income and recognized on accrual basis in the year of export based on eligibility and when there is no uncertainty on receiving the same.

Interest Income

Interest income is recognised using the effective interest method as set out in Ind AS 109 – Financial Instruments: Recognition and Measurement, when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably. The

effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period.

4.9 Leases

Leases are classified as finance leases whenever the substantial value of the assets is initially paid as non-refundable lease premium and terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefit accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

4.10 Foreign Currency Translation

The functional currency of the Company is the Indian Rupee (₹).

Exchange differences on monetary items are recognised in the Statement of profit and loss in the period in which they arise except for:

- (i) exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- (ii) exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements of the Company for the period immediately before the beginning of the first Ind AS financial reporting period (prior to 1st April, 2016), as per the previous GAAP, pursuant to the Company's choice of availing the exemption as permitted by Ind AS 101.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

4.11 Borrowing Costs

Borrowing costs include

- (i) interest expense calculated using the effective interest rate method,
- (ii) finance charges in respect of finance leases, and
- (iii) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

4.12 Employee benefits

(a) Short-term obligations

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

(b) Post-employment obligations

The Company operates the following post-employment schemes: a) defined contribution plans - provident fund b) defined benefit plans - gratuity plans

(i) Defined contribution plans

The Company has defined contribution plan for the post-employment benefits namely Provident Fund and Employees Death Linked Insurance, the contributions towards such funds and schemes are recognised as employee benefits expense and charged to the Statement of Profit and Loss when they are due. The Company does not carry any further obligations with respect to this, apart from contributions made on a monthly basis.

(ii) Defined benefit plans

The Company has defined benefit plan, namely gratuity for eligible employees in accordance with the Payment of Gratuity Act, 1972 the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit method) at the end of each year.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the tenor of the related obligation. The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements) is recognised in the Statement of profit and loss in the line item 'Employee benefits expense'.

Remeasurements of the net defined liability, comprising of actuarial gains and losses, return on plan assets (excluding amounts included in net interest on the net defined benefit liability) and any change in the effect of asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI) in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Change in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the profit or loss as past service cost.

4.13 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.14 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

4.15 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

4.16 Fair Value Measurement

A number of Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair value is the price that would be received on sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

- (a) Level 1 - unadjusted quoted prices in active markets for identical assets and liabilities.
- (b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- (c) Level 3 - unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Investment in equity and debt securities

The fair value is determined by reference to their quoted price at the reporting date. In the absence of quoted price, the fair value of the financial asset is measured using valuation techniques.

(b) Trade and other receivables

The fair value of trade and other receivables, excluding construction contracts in progress, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. However in respect of such financial instruments, fair value generally approximates the carrying amount due to short term nature of such assets. This fair value is determined for disclosure purposes or when acquired in a business combination.

(c) Non derivative financial liabilities

Fair Value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases, the market rate of interest is determined by reference to similar lease agreements.

4.17 Current / non- current classification

An asset is classified as current if:

- (a) it is expected to be realized or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realized within twelve months after the reporting period; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:

- (a) it is expected to be settled in normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be settled within twelve months after the reporting period;
- (d) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between acquisition of assets for processing / trading / assembling and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

4.18 Cash and cash equivalent

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage.

ARCHIT ORGANOSYS LIMITED

Notes to standalone financial statements for the year ended 31 March 2019

Note 5 - Property, plant and equipment

Note 5.1 : As at March 31, 2019

[₹ in Lacs]

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | | Net carrying amount |
|-------------------------|-----------------------|-----------|-----------------------|------------------|--------------------------|--------------|-----------------------|-----------------|---------------------|
| | As at 01/04/2018 | Additions | Deduction Adjustments | As at 31/03/2019 | Upto 31/03/2018 | For the year | Deduction Adjustments | Upto 31/03/2019 | |
| Owned Assets | | | | | | | | | |
| Freehold land | 143.87 | 0.00 | 60.90 | 82.97 | 0.00 | 0.00 | 0.00 | 0.00 | 82.97 |
| Buildings | 1 529.33 | 53.44 | 0.00 | 1 582.77 | 115.76 | 52.47 | 0.00 | 168.23 | 1 414.54 |
| Plant & Machinery | 3 194.70 | 331.95 | 81.69 | 3 444.96 | 279.13 | 185.19 | 7.76 | 456.56 | 2 988.40 |
| Office Equipments | 31.79 | 1.53 | 0.00 | 33.32 | 11.32 | 5.62 | 0.00 | 16.94 | 16.38 |
| Computer | 8.55 | 0.11 | 0.00 | 8.66 | 4.52 | 1.60 | 0.00 | 6.12 | 2.54 |
| Furnitures and Fixtures | 70.39 | 1.95 | 6.40 | 65.94 | 5.52 | 6.41 | 0.43 | 11.50 | 54.44 |
| Vehicles | 145.91 | 0.00 | 9.25 | 136.66 | 69.44 | 15.24 | 3.72 | 80.96 | 55.70 |
| Leasehold Improvements | 47.31 | 0.00 | 0.00 | 47.31 | 3.20 | 8.99 | 0.00 | 12.19 | 35.12 |
| Leasehold Assets | | | | | | | | | |
| Land | 55.74 | 0.00 | 0.00 | 55.74 | 8.65 | 0.54 | 0.00 | 9.19 | 46.55 |
| | 5 227.59 | 388.98 | 158.24 | 5 458.33 | 497.54 | 276.06 | 11.91 | 761.69 | 4 696.64 |

Note 5.2 : As at March 31, 2018

[₹ in Lacs]

| Particulars | Gross carrying amount | | | | Accumulated Depreciation | | | | Net carrying amount |
|-------------------------|-----------------------|-----------|-----------------------|------------------|--------------------------|--------------|-----------------------|-----------------|---------------------|
| | As at 01/04/2017 | Additions | Deduction Adjustments | As at 31/03/2018 | Upto 31/03/2017 | For the year | Deduction Adjustments | Upto 31/03/2018 | |
| Owned Assets | | | | | | | | | |
| Freehold land | 143.87 | 0.00 | 0.00 | 143.87 | 0.00 | 0.00 | 0.00 | 0.00 | 143.87 |
| Buildings | 1 520.39 | 8.94 | 0.00 | 1 529.33 | 62.81 | 52.97 | 0.02 | 115.76 | 1 413.57 |
| Plant & Machinery | 3 115.55 | 140.68 | 61.53 | 3 194.70 | 104.01 | 175.33 | 0.21 | 279.13 | 2 915.57 |
| Office Equipments | 20.93 | 10.86 | 0.00 | 31.79 | 6.40 | 4.92 | 0.00 | 11.32 | 20.47 |
| Computer | 6.11 | 2.44 | 0.00 | 8.55 | 3.47 | 1.05 | 0.00 | 4.52 | 4.03 |
| Furnitures and Fixtures | 14.84 | 55.55 | 0.00 | 70.39 | 2.18 | 3.34 | 0.00 | 5.52 | 64.87 |
| Vehicles | 110.79 | 35.12 | 0.00 | 145.91 | 52.55 | 16.89 | 0.00 | 69.44 | 76.47 |
| Leasehold Improvements | 0.00 | 47.31 | 0.00 | 47.31 | 0.00 | 3.20 | 0.00 | 3.20 | 44.11 |
| Leasehold Assets | | | | | | | | | |
| Land | 55.74 | 0.00 | 0.00 | 55.74 | 8.11 | 0.54 | 0.00 | 8.65 | 47.09 |
| | 4 988.22 | 300.90 | 61.53 | 5 227.59 | 239.53 | 258.24 | 0.23 | 497.54 | 4 730.05 |

Note 6 : Intangible assets

Note 6.1 : As at March 31, 2019

[₹ in Lacs]

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net carrying amount |
|---------------------|------------------|-----------|-----------------------|------------------|--------------------------|--------------|-----------------------|-----------------|---------------------|
| | As at 01/04/2018 | Additions | Deduction Adjustments | As at 31/03/2019 | Upto 31/03/2018 | For the year | Deduction Adjustments | Upto 31/03/2019 | |
| Owned Assets | | | | | | | | | |
| Software | 8.07 | 0.00 | 0.00 | 8.07 | 0.62 | 2.55 | 0.00 | 3.17 | 4.90 |
| | 8.07 | 0.00 | 0.00 | 8.07 | 0.62 | 2.55 | 0.00 | 3.17 | 4.90 |

Note 6.2 : As at March 31, 2018

[₹ in Lacs]

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net carrying amount |
|---------------------|------------------|-----------|-----------------------|------------------|--------------------------|--------------|-----------------------|-----------------|---------------------|
| | As at 01/04/2017 | Additions | Deduction Adjustments | As at 31/03/2018 | Upto 31/03/2017 | For the year | Deduction Adjustments | Upto 31/03/2018 | |
| Owned Assets | | | | | | | | | |
| Software | 0.16 | 7.91 | 0.00 | 8.07 | 0.00 | 0.62 | 0.00 | 0.62 | 7.45 |
| | 0.16 | 7.91 | 0.00 | 8.07 | 0.00 | 0.62 | 0.00 | 0.62 | 7.45 |

Notes to standalone financials statements for the year ended 31 March 2019

Note 7 : Capital Work in Progress

Note 7.1 : As at March 31, 2019

[` in Lacs]

| Particulars | As at April 01, 2018 | Additions during the year | Deduction/ Adjustment during the year | Capitalised | As at March 31, 2019 |
|---------------------|-------------------------|---------------------------------|---|---------------|-------------------------|
| Plant And Machinery | 716.10 | 110.43 | 18.23 | 323.67 | 484.63 |
| Factory Building | 50.51 | 2.92 | 0.00 | 53.43 | 0.00 |
| Total : | 766.61 | 113.35 | 18.23 | 377.10 | 484.63 |

Note 7.1 : As at March 31, 2018

[` in Lacs]

| Particulars | As at April 01, 2017 | Additions during the year | Deduction/ Adjustment during the year | Capitalised | As at March 31, 2018 |
|---------------------|-------------------------|---------------------------------|---|-------------|-------------------------|
| Plant And Machinery | 69.78 | 696.32 | 50.00 | 0.00 | 716.10 |
| Factory Building | 0.00 | 54.47 | 3.96 | 0.00 | 50.51 |
| Total : | 69.78 | 750.79 | 53.96 | 0.00 | 766.61 |

Amount (in `)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|------------------------|------------------------|
| Note 8 : Other Financial Assets (Non-Current) | | |
| Security deposits | 78.38 | 78.17 |
| Total: | 78.38 | 78.17 |
| 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 |
| Note 9 : Other assets (Non-Current) | | |
| Capital advances | 0.00 | 47.75 |
| MAT Credit | 68.55 | 68.55 |
| Total: | 68.55 | 116.30 |
| Note 10 : Inventories | | |
| Raw Materials | 141.85 | 313.41 |
| Stock in Progress | 75.30 | 160.68 |
| Finished Goods (Including goods-in-transit) | 294.35 | 160.49 |
| Stock-in-Trade | 52.05 | 63.57 |
| Packing Materials | 16.31 | 10.19 |
| Consumable Stores | 4.60 | 2.62 |
| Total : | 584.46 | 710.96 |

Inventory items have been valued considering the significant accounting policy disclosed in note 4(4.5) to this financial statement.

ARCHIT ORGANOSYS LIMITED

NOTES TO STANDALONE FINANCIALS STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Amount (in `)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

Note 11 : Trade Receivable

| | | |
|-------------------------------------|-----------------|-----------------|
| Unsecured, considered good | | |
| Low Credit Risk | 1 435.05 | 3 136.24 |
| Significant increase in Credit Risk | 0.00 | 0.00 |
| Credit Impaired | 0.00 | 0.00 |
| Total: | <u>1 435.05</u> | <u>3 136.24</u> |

Included in the financial statement as follows:

| | | |
|---------------|-------------|-------------|
| Non-current | 0.00 | 0.00 |
| Current | 0.01 | 0.03 |
| Total: | <u>0.01</u> | <u>0.03</u> |

The company does not have any outstanding dues from directors, officers of the company either severally or jointly with other persons or firms or private companies in which any directors is partner or director or a member

Note 12 : Cash and cash equivalents

| | | |
|---|---------------|--------------|
| Balance with Schedule Bank | | |
| In current account | 473.41 | 3.95 |
| Fixed Deposits (maturity of less than three months) | 13.53 | 65.05 |
| Cash in hand | 2.98 | 5.24 |
| Total: | <u>489.92</u> | <u>74.24</u> |

Note 13 : Other Bank Balance

| | | |
|--|-------------|-------------|
| Fixed Deposits (With maturity for more than 3 months but less than 12 months) | 0.00 | 2.90 |
| Total: | <u>0.00</u> | <u>2.90</u> |

Note 14 : Loans (Current)

| | | |
|--|---------------|-------------|
| Loans Receivable considered good - Unsecured | | |
| Low Risk | 397.33 | 2.62 |
| Significant increase in Credit Risk | 0.00 | 0.00 |
| Credit Impaired | 0.00 | 0.00 |
| Total: | <u>397.33</u> | <u>2.62</u> |

The company does not have any outstanding dues from directors, officers of the company either severally or jointly with other persons or firms or private companies in which any directors is partner or director or a member

Note 15 : Other Financial Assets (current)

| | | |
|-------------------|--------------|--------------|
| Security deposits | 0.20 | 12.55 |
| Interest accrued | 6.43 | 13.66 |
| Other Recoverable | 77.66 | 63.13 |
| Total: | <u>84.29</u> | <u>89.34</u> |

Note 16 : Other Current Assets

| | | |
|-----------------------------------|--------------|---------------|
| Advances to suppliers | 2.87 | 7.61 |
| Prepaid expenses | 4.46 | 11.25 |
| Balances with Revenue authorities | 53.06 | 385.89 |
| Total: | <u>60.39</u> | <u>404.75</u> |

The company does not have any outstanding dues from directors, officers of the company either severally or jointly with other persons or firms or private companies in which any directors is partner or director or a member

Annual Report 2018-2019

| Particulars | Amount (in `) | |
|--|------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 |
| Note 17 : Current tax assets (Net) | | |
| Advance tax & TDS | 95.47 | 76.16 |
| Less: Provision for taxation | 68.55 | 68.55 |
| Total: | 26.92 | 7.61 |
| Note 18 : Equity share capital | | |
| Authorised share capital | | |
| Equity Share Capital | | |
| 2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of ` 10/- each | 2 500.00 | 2 500.00 |
| Issued share capital | | |
| 1,50,63,300 (March 31, 2018: 1,50,63,300) Equity Shares of ` 10/ each | 1 506.33 | 1 506.33 |
| Subscribed and fully paid up Equity Share Capital | | |
| 1,50,20,723 (March 31, 2018: 1,50,63,300) equity Shares of ` 10/- each fully paid up | 1 504.20 | 1 506.33 |
| Less: Calls In Arrears | 0.00 | (2.13) |
| Deduction on account of forfeiture of shares | (2.13) | 0.00 |
| | 1 502.07 | 1 504.20 |

Notes:

The company has forfeited 42577 partly paid equity shares issued on rights basis in respect of which first and final call money @ 12.50 per share remained unpaid on 30th May, 2018

Note 18.1 : Equity share capital

During the period of five financial years immediately preceding the Balance Sheet date,

- (i) The Company has not allotted any fully paidup equity shares by way of bonus shares;
- (ii) The Company has not allotted any equity shares pursuant to any contract without payment being received in cash;
- (iii) The company has not bought back any equity shares

Note 18.2 Reconciliation of number of shares outstanding at the beginning and at the end of the Reporting Year

| | | |
|---|-------------|-------------|
| At the beginning of the year | 1 50 63 300 | 1 50 63 300 |
| Add : Shares issued for Cash or Right Issue | 0 | 0 |
| | 1 50 63 300 | 1 50 63 300 |
| Less : Shares bought back / Redemption / Forfeited | 42 577 | 0 |
| At the end of the year | 1 50 20 723 | 1 50 63 300 |

Note 18.3 Details of shareholders holding more than 5% Shares in the company

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|-----------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Kandarp K. Amin | 36 71 295 | 24.44 | 36 71 295 | 24.37 |
| Archana K. Amin | 26 95 515 | 17.95 | 26 95 515 | 17.89 |
| Suchit K. Amin | 7 66 195 | 5.10 | 7 66 195 | 5.09 |

Note 18.4 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.

ARCHIT ORGANOSYS LIMITED

| Particulars | Amount (in `) | |
|---|------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 |
| Note 19 : Other Equity Reserve and Surplus | | |
| Retained Earnings | 127.22 | 594.60 |
| Securities Premium | 1 854.67 | 1 857.86 |
| Capital Reserve | 6.76 | 1.44 |
| General Reserve | 1.50 | 1.50 |
| Total | 1 990.15 | 2 455.40 |
| Note 19.1 : Other Equity ...Detailed.. | | |
| Retained Earnings | | |
| Balance as per previous financial statements | 594.60 | 544.83 |
| Add : Profit / Loss) for the year | (471.60) | 50.86 |
| Add / (Less) : OCI for the year (net of tax) | 4.22 | (1.09) |
| Balance available for appropriation | 127.22 | 594.60 |
| Less: Appropriation | 0.00 | 0.00 |
| Total: | 127.22 | 594.60 |
| Note 19.2 : Securities Premium | | |
| Opening Balance | 1 857.86 | 1 107.88 |
| Add : Addition during the year | 0.00 | 753.17 |
| Less: Calls in arrears | 0.00 | (3.19) |
| Deduction on account of forfeiture of shares | (3.19) | 0.00 |
| Balanace at the end of the year | 1 854.67 | 1 857.86 |
| Note 19.3 : Capital Reserve | | |
| Opening Balance | 1.44 | 1.44 |
| Add : Amount transferred on account of equity forfeited | 5.32 | 0.00 |
| Balanace at the end of the year | 6.76 | 1.44 |
| Note 19.4 : General Reserve | | |
| Opening Balance | 1.50 | 1.50 |
| Add : Addition during the year | 0.00 | 0.00 |
| Balanace at the end of the year Total: | 1.50 | 1.50 |

The description of the nature and purpose of each reserve within equity is as follows :

Retained Earnings

The retained earnings reflect the profit of the Company earned till date net of appropriations. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve, after considering the requirements of the Companies Act, 2013

Securities Premium

Securities premium reserve is the premium received on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act, 2013

Capital Reserve

Capital Reserve is created out of forfeiture of equity shares.

General Reserve

General reserve was created by transfer of profits as per Companies (Transfer of Profits to Reserve) Rules, 1975. It is a transfer from one component of equity that is retained earnings for appropriation purpose.

| | Amount (in `) | |
|--|------------------------|------------------------|
| Particulars | As at 31 March 2019 | As at 31 March 2018 |
| Note 20 : Borrowings (Non-Current) | | |
| Secured term loans from banks | | |
| Union Bank of India A/c No. 1163 | 1 772.38 | 1 904.51 |
| Vehicle Loan | | |
| ICICI Bank Limited | 0.00 | 4.54 |
| Kotak Mahindra Prime Ltd. | 0.00 | 3.26 |
| Kotak Mahindra Prime Ltd. | 0.94 | 10.23 |
| | 0.94 | 18.03 |
| Total: | 1 773.32 | 1 922.54 |
| Current maturities of long term debts | | |
| Secured term loans from banks | | |
| Union Bank of India A/c No. 616 | 0.00 | 7.62 |
| Union Bank of India A/c No. 1163 | 561.60 | 393.60 |
| Buyers Credit | | |
| Union Bank of India Foreign Buyers Credit | 0.00 | 431.34 |
| Vehicle Loan | | |
| ICICI Bank Limited | 5.37 | 6.32 |
| Kotak Mahindra Prime Ltd. | 10.74 | 13.64 |
| Total: | 577.71 | 852.52 |

Details of security and repayment thereof

Note 20.1 : Nature of Security

Term Loans

The Term loans including current maturities amounting to ` 2333.98 Lacs (P.Y. ` 2305.73 Lacs) from Union Bank of India is secured Union Bank of India is secured by way of hypothecation of plant and machinery created out of project and further secured by factory land and building situated at Bhavnagar and also personal guarantee of Director.

The Buyers credit including current maturities amounting to ` NIL (P.Y. ` 431.34 Lacs) from Union Bank of India is secured by way of hypothecation of plant and machinery created out of project and land and building on plot further secured by factory land and building situated at Bhavnagar.

Vehicle Loans

The Loans including current maturities amounting to ` 17.05 Lacs (P.Y. ` 37.99 Lacs) are secured by Vehicles.

Note 20.2 : Terms of Repayment of Loans

Term Loan

Union Bank of India A/c No. 1163 :

Repayable in 62 monthly installments in ballooning method commencing from November, 2017. Last Installment due on December, 2023. Rate of interest 13.10% as at period end. (P.Y. 1310%).

Vehicle Loan

ICICI Bank Limited :

Loan is repayable in monthly installments of ` 0.53 Lacs commencing from April, 2015 and last installment falls due on February, 2020.

Kotak Mahindra Prime Ltd. :

Loan is repayable in monthly installments of ` 0.19 Lacs commencing from January, 2016 and last installment falls due on January, 2019.

Kotak Mahindra Prime Ltd. :

ARCHIT ORGANOSYS LIMITED

| Particulars | Amount (in `) | |
|---|------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 |
| Note 21 : Non-Current Provisions | | |
| Provision For Gratuity | 39.09 | 36.25 |
| Less : Plan Assets | (19.35) | (18.03) |
| Total: | 19.74 | 18.22 |

Note 22 : Deferred tax liabilities (net)

The Company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

Deferred tax liabilities

| | | |
|--------------------|---------------|---------------|
| Depreciable assets | 391.41 | 358.01 |
| | 391.41 | 358.01 |

Deferred tax assets

| | | |
|--|---------------|---------------|
| Disallowance u/s. 43(b) under income tax act, 1961 | 11.87 | 11.88 |
| Unamortised Proceesing Fees | 0.69 | 8.50 |
| Unabsorbed depreciation (Restricted to DTL) | 378.85 | 185.14 |
| | 391.41 | 205.52 |
| Net Deferred Tax Liability / (Asset) | 0.00 | 152.49 |

Movement of Deferred Tax Liabilites / (Assets) during the year

| Particulars | Opening Balance as at April 1, 2018 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | Closing Balance as at March 31, 2019 |
|---|--|---|---|---|
| Deferred Tax liabilities / (assets) in relation to | | | | |
| Property, Plant and Equipments | 358.01 | (358.01) | 0.00 | 0.00 |
| Unabsorb Depreciation | (185.14) | 185.14 | 0.00 | 0.00 |
| Unamortised Cost adjusted on borrowings | (8.50) | 8.50 | 0.00 | 0.00 |
| Provision for Employee benefit expense | (11.88) | 10.33 | 1.55 | 0.00 |
| | 152.49 | (154.04) | 1.55 | 0.00 |
| Particulars | Opening Balance as at April 1, 2017 | Recognised in Statement of Profit and Loss | Recognised in Other Comprehensive Income | Closing Balance as at March 31, 2018 |
| Deferred Tax liabilities / (assets) in relation to | | | | |
| Property, Plant and Equipments | 244.85 | 113.16 | 0.00 | 358.01 |
| Unabsorb Depreciation | (61.88) | (123.26) | 0.00 | (185.14) |
| Unamortised Cost adjusted on borrowings | (7.67) | (0.83) | 0.00 | (8.50) |
| Provision for Employee benefit expense | (9.70) | (1.53) | (0.65) | (11.88) |
| | 165.60 | (12.46) | (0.65) | 152.49 |

Annual Report 2018-2019

| Particulars | Amount (in `) | |
|--|------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 |
| Note 23 : Borrowings (Current) | | |
| Secured | | |
| Working capital facilities from bank | 1 366.29 | 826.91 |
| Total: | 1 366.29 | 826.91 |
| Terms of working capital facility from banks | | |
| The Working Capital Loans amounting to ` 1366.29 Lacs (P.Y. ` 826.91 Lacs) 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. | | |
| Note 24 : Trade Payables | | |
| Current | | |
| Due to Micro and Small Enterprise (Refer Note 48) | 17.05 | 5.08 |
| Others | 1 044.64 | 2 157.80 |
| Total: | 1 061.69 | 2 162.88 |
| Note 25 : Other financial liabilities | | |
| Current Maturities of Long Term Borrowings (Refer Note 20) | 577.71 | 852.52 |
| Book Overdraft | 0.00 | 0.45 |
| Payable towards Capital Goods | 41.64 | 149.99 |
| Others | 10.66 | 23.22 |
| Total: | 630.01 | 1 026.18 |
| Note 26 : Other Current liabilities | | |
| Statutory Liabilities | 38.57 | 28.43 |
| | 38.57 | 28.43 |
| Note 27 : Short Term Provisions | | |
| Gratuity | 24.53 | 24.90 |
| Total: | 24.53 | 24.90 |
| Note 28 : Current Tax Liabilities | | |
| Provision for Tax | 83.00 | 83.00 |
| Less : Advance Tax | 77.91 | 77.91 |
| Total: | 5.09 | 5.09 |

ARCHIT ORGANOSYS LIMITED

[` in Lacs]

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Note 29 : Revenue from Operations | | |
| Sale of products | | |
| Manufactured Goods (Inclusive of Excise Duty) | 4 664.00 | 3 344.86 |
| Stock-in-Trade | 3 760.94 | 4 441.94 |
| Other operating revenue | | |
| Export Incentives | 42.04 | 61.98 |
| Lifting Charges of Chlorine | 0.00 | 322.21 |
| | <u>8 466.98</u> | <u>8 170.99</u> |
| Break up of Revenue from contracts with customers | | |
| | | [` in Lacs] |
| Particulars | 2018-2019 | 2017-2018 |
| Manufactured | | |
| MCAA | 3 795.80 | 2 650.96 |
| SMCA | 732.23 | 617.68 |
| EDTA Tetra - Sodium | 8.03 | 5.33 |
| Hydro Chlorine Acid | 1.45 | 0.25 |
| Others | 126.49 | 70.64 |
| | <u>4 664.00</u> | <u>3 344.86</u> |
| Stock in trade | | |
| Ethyle Acetate | 194.83 | 590.27 |
| Acetic Acid | 344.77 | 11.62 |
| Acetic Anhydride | 926.46 | 475.77 |
| Others | 2 294.88 | 3 364.28 |
| | <u>3 760.94</u> | <u>4 441.94</u> |
| Break up of Other Operating revenue | | |
| Export benefits (Net) | | |
| MEIS | 42.04 | 61.98 |
| Lifting Charges of Chlorine | 0.00 | 322.21 |
| | <u>42.04</u> | <u>384.19</u> |
| Note 30 : Other Income | | |
| Interest income | | |
| On Fixed deposits | 5.24 | 3.33 |
| On Other deposits and investments | 34.58 | 23.75 |
| On VAT Refund | 4.00 | 0.00 |
| Other Interest | 0.06 | 0.46 |
| Commision income | 233.55 | 224.90 |
| Profit on Sale of Fixed Asset | 26.10 | 0.00 |
| Foreign exchange fluctuation (net) | 23.25 | 18.46 |
| Other non-operating revenue | | |
| Sundry Balance written back (net) | 2.91 | 6.14 |
| Miscellaneous income | 7.94 | 7.72 |
| | <u>337.63</u> | <u>284.76</u> |
| Note 31 : Cost of materials consumed | | |
| Raw Materials | 3 173.04 | 2 132.86 |
| Freight Charges, Inward Clearing and Commission | 144.73 | 142.07 |
| | <u>227,493,216</u> | <u>160,947,180</u> |

Annual Report 2018-2019

[` in Lacs]

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Note 32 : Excise duty | | |
| Excise duty on sale of goods | 0.00 | 17.04 |
| | <u>0.00</u> | <u>17.04</u> |
| Note 33 : Purchases of traded goods | | |
| Chemicals and Pigments | 3 794.59 | 4 227.70 |
| | <u>3 794.59</u> | <u>4 227.70</u> |
| Note 34 : Changes in Inventories | | |
| Closing Stock | | |
| Work-in-progress | 75.30 | 160.68 |
| Finished Goods (Inclusive of Goods in Transit) | 294.35 | 160.49 |
| Traded Goods | 52.05 | 63.57 |
| | <u>421.70</u> | <u>384.74</u> |
| Opening Stock | | |
| Work in Progress | 160.68 | 36.33 |
| Finished Goods (Inclusive of Goods in Transit) | 160.49 | 93.99 |
| Traded Goods | 63.57 | 7.18 |
| | <u>384.74</u> | <u>137.50</u> |
| Decrease/(Increase) in Inventories | <u>(36.96)</u> | <u>(247.24)</u> |
| Note 35 : Employee benefits expense | | |
| Salaries, wages and allowance | 459.84 | 383.29 |
| Contribution to provident and other funds | 21.22 | 36.14 |
| Staff welfare expenses | 55.14 | 86.09 |
| | <u>536.20</u> | <u>505.52</u> |

[` in Lacs]

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Note 36 : Finance Cost | | |
| Interest to : | | |
| Banks | 343.64 | 346.46 |
| Others | 0.77 | 7.89 |
| Other Borrowing Cost | | |
| Processing charges | 15.05 | 11.56 |
| | <u>359.46</u> | <u>365.91</u> |
| Note 37 : Depreciation and Amortization | | |
| Depreciation of property, plant and equipment | 275.70 | 258.32 |
| Amortization expense on intangible assets | 2.91 | 0.54 |
| | <u>278.61</u> | <u>258.86</u> |

ARCHIT ORGANOSYS LIMITED

[` in Lacs]

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Note 38 : Other expenses | | |
| Manufacturing Expenses | | |
| Stores & Other Consumables | 99.81 | 99.01 |
| Power Fuel & Water Charges | 267.99 | 224.12 |
| Repairs and Maintenance | | |
| Plant and Machinery | 19.26 | 6.72 |
| Building | 9.42 | 5.90 |
| Laboratory Expenses | 2.20 | 2.67 |
| Job work Charges | 57.64 | 1.45 |
| Lifting charges HCL | 52.42 | 0.00 |
| Pollution Plant Treatment | 0.00 | 0.12 |
| Excise duty on Finished Goods (Net) | 0.00 | (3.43) |
| | <u>508.74</u> | <u>336.56</u> |
| Establishment Expenses | | |
| Fees and Legal Expenses | 41.40 | 40.10 |
| Insurance Charges | 19.08 | 17.10 |
| Travelling Expenses | 21.82 | 24.13 |
| Rent, Rates & Taxes | 67.15 | 46.72 |
| Other Repairs | 7.70 | 17.79 |
| Auditor's Remuneration | 1.50 | 1.50 |
| Interest to Suppliers | 1.81 | 16.90 |
| Exchange fluctuation on foreign currency transactions | 25.69 | 0.00 |
| Detention charges | 2.46 | 4.37 |
| Vehicle Expense | 25.82 | 23.96 |
| Security Expense | 14.17 | 12.88 |
| Miscellaneous Expenditure | 109.07 | 88.55 |
| Loss on asset discarded | 12.82 | 0.61 |
| Donation | 2.51 | 2.04 |
| Bad Debts | 1.79 | 0.94 |
| | <u>354.79</u> | <u>297.59</u> |
| Selling and Distribution Expenses | | |
| Packing Material Consumed | 89.79 | 42.61 |
| Sales Commission | 2.58 | 26.40 |
| Clearing and Forwarding | 137.43 | 241.85 |
| Others | 87.25 | 69.62 |
| | <u>317.05</u> | <u>380.48</u> |
| Total: | <u><u>1 180.58</u></u> | <u><u>1 014.63</u></u> |
| Auditor's Remuneration is made of | | |
| Statutory Audit Fees | 1.50 | 1.50 |
| Note 39 : Earning per Share | | |
| Profit / (Loss) attributable to Equity shareholders (` in Lacs) | (471.60) | 50.86 |
| Number of equity shares | 1 50 20 723 | 1 50 63 300 |
| Weighted Average number of Equity Shares | 1 50 20 723 | 1 50 63 300 |
| Basic and Diluted earning per Share (`) | (3.14) | 0.34 |

Note 40: Contingent Liabilities and Commitments

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|--------------------------|--------------------------|
| A Contingent Liabilities not provided for in respect of | | |
| Claim against the company not acknowledged as debt from HDFC Bank Limited (Refer note (i) below) | 147.07 | 147.07 |
| Custom Duty (Import under Advance Licenses Export Obligation Pending) | 29.84 | - |
| Income Tax (Refer note (ii) below) | 0.13 | 0.01 |
| | 177.04 | 147.08 |
| B Capital Commitments | | |
| Estimated amount of contract remaining to the executed on capital accounts | Nil | 39.39 |
| (a) The company had entered in to derivatives contracts (for sale of foreign currency) with HDFC bank Limited which have already been concluded in earlier years. The company had incurred loss on such contracts against which the sum of ' 78.71 Lacs (including adjustment of fixed deposit amounting to ' 23.64 Lacs 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 ' 147.07 Lacs including interest up to January, 2013. Further, In earlier years, HDFC Bank Limited has retained the sum of ' 25.48 Lacs out of proceeds of right issues against which the company has initiated legal actions. | | |
| (b) The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ' 0.13 Lacs (P.Y. ' 0.01 Lacs) which have been made against the company by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such appeal filed by the Company is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the company. | | |

Note 41:

During the year under review, legal case has been filed by appropriate authorities alleging a director and an employee of the company causing death of Blackbucks due to drinking of contaminated water. The matter is still sub- judice pending for final adjudication. Meanwhile, the Gujarat Pollution Control Board, vide its order issued in terms of provisions of Section 33A of Water (Prevention and Control of Pollution) Act, 1974 directed the company to close its production process at Bhavnagar unit with immediate effect. In response, upon application made by the company and representation made before the authority, the Gujrat Pollution Control Board vide its order dated 5th November, 2018 conditionally withdrew the said order and therefore the company has resumed it's operations at Bhavnagar unit by placing necessary measures. The Management does not expect any major impact on operations of the company in this regard

Note 42 : Employee Benefits**Note 42.1 Defined contribution plan**

The Company has defined contribution plan in form of Provident Fund & Pension Scheme and Employee State Insurance Scheme for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The total expense recognized in the Statement of profit and loss under employee benefit expenses in respect of such schemes are given below:

| Particulars | For the year 2018-2019 | For the year 2017-2018 |
|---|---------------------------|---------------------------|
| Contribution to Provident Fund and Pension Scheme, included under contribution to provident and other funds | 11.23 | 10.15 |
| Contribution to Employee State Insurance Scheme, included under contribution to provident and other funds | 1.37 | 1.81 |

[in Lacs]

ARCHIT ORGANOSYS LIMITED

Note 42.2 Defined benefit plan

(a) Gratuity

The Company offers gratuity plan for its qualified employees which is payable as per the requirements of Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting.

(b) Defined Benefit Plan

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Gratuity

| Particulars | Valuation | |
|-------------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2019 | As at 31 st March, 2018 |
| Discount rate | 7.78% | 7.87% |
| Expected rate(s) of salary increase | 6.00% | 6.00% |
| Rate of return on plan assets | 7.89% | 7.20% |

The following table sets out the status of the amounts recognized in the balance sheet & movements in the net defined benefit obligation as at 31st March, 2019

| Particulars | [` in Lacs] | |
|--|--|--|
| | For the year ended 2018-2019 Gratuity (Funded) | For the year ended 2017-2018 Gratuity (Funded) |
| Changes in the present value of obligation | | |
| 1. Present value of obligation (Opening) | 61.15 | 37.03 |
| 2. Interest cost | 4.81 | 2.67 |
| 3. Past service cost adjustments/Prior year Charges | - | 17.68 |
| 4. Current service cost | 3.52 | 2.84 |
| 5. Curtailment Cost / (Gain) | - | - |
| 6. Settlement Cost / (Gain) | - | - |
| 7. Benefits paid | - | (0.97) |
| 8. Actuarial (Gain) / Loss arising from change in financial assumptions | 0.28 | (2.01) |
| 9. Actuarial (Gain) / Loss arising from change in demographic assumptions | - | - |
| 10. Actuarial (Gain) / Loss arising from change on account of experience changes | (6.14) | 3.91 |
| 11. Present value of obligation (Closing) | 63.62 | 61.15 |
| Changes in the fair value of plan assets | | |
| 1. Present value of plan assets (Opening) | 18.03 | 9.02 |
| 2. Expected return on plan assets | (0.10) | 0.16 |
| 3. Interest Income | 1.42 | 0.65 |
| 4. Actuarial Gain / (Loss) | - | - |
| 5. Employers Contributions | - | 9.17 |
| 6. Employees Contributions | - | - |
| 7. Benefits paid | - | (0.97) |
| 8. Fair Value of Plan Assets (Closing) | 19.35 | 18.03 |

[` in Lacs]

| Particulars | For the year ended 2018-2019 | For the year ended 2017-2018 |
|--|------------------------------|------------------------------|
| | Gratuity (Funded) | Gratuity (Funded) |
| Percentage of each category of plan assets to total fair value of plan assets at the year end | | |
| 1. Bank Deposits | - | - |
| 2. Debt Instruments | - | - |
| 3. Policy of Insurance | 100% | 100% |
| 4. Others | - | - |
| Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets | | |
| Present Value of funded obligation at the end of the year | | |
| Fair Value of Plan Assets as at the end of the period | 19.35 | 18.03 |
| Amount not recognized due to asset limit | - | - |
| Deficit of funded plan | | |
| Deficit of unfunded plan | | |
| - Current | 24.53 | 24.90 |
| - Non current | 19.74 | 18.22 |
| Amount recognized in standalone statement of profit and loss in respect of defined benefit plan are as follows: | | |
| Expense recognized in the Statement of Profit and Loss | | |
| Current Service Cost | 3.52 | 2.84 |
| Past Service Cost | - | 17.68 |
| Net interest Cost | 3.39 | 2.02 |
| Net value of re-measurements on the obligation and plan assets | - | - |
| (Gains)/Loss on Settlement | - | - |
| Total Expenses recognized in the Statement of Profit and Loss # | 6.91 | 22.53 |
| #Included in 'Salary and Wages' under 'Employee benefits expense' | | |
| Amount recorded in Other comprehensive Income (OCI) | | |
| Re-measurements during the year due to | | |
| Changes in financial assumptions | 0.28 | (2.01) |
| Changes in demographic assumptions | - | - |
| Experience adjustments | (6.14) | 3.91 |
| Return on plan assets excluding amounts included in interest income | 0.10 | (0.16) |
| Amount recognized in OCI during the year | (5.76) | 1.74 |

(c) **Sensitivity analysis**

The sensitivity of the defined benefit obligation to changes in the weighted principal assumption is:

Gratuity

| Particulars | Impact on defined benefit obligation | | | | | |
|--------------------|--------------------------------------|----------------|-------------------------|----------------|-------------------------|----------------|
| | Change in Assumption | | Increase in Assumptions | | Decrease in Assumptions | |
| | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 | March 31, 2019 | March 31, 2018 |
| Discount rate | 1% | 1% | Decrease by (2.84) | (2.53) | Increase by 3.49 | 3.1 |
| Salary growth rate | 1% | 1% | Increase by 2.12 | 1.82 | Decrease by (1.79) | (1.56) |
| Employee Turnover | 1% | 1% | Increase by 1.86 | 1.76 | Decrease by (2.17) | (2.06) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method

ARCHIT ORGANOSYS LIMITED

(present value of the defined obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(d) Major Category of Plan Asset as a % of total Plan Assets

| Category of Assets (% Allocation) | As at March 31, 2019 % | As at March 31, 2018 | As at March 31, 2019 ' in lacs | As at March 31, 2018 |
|-----------------------------------|------------------------------|-------------------------|--------------------------------------|-------------------------|
| Insurer managed funds | 100% | 100% | 19.35 | 18.03 |
| Total | 100% | 100% | 19.35 | 18.03 |

(e) Risk exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

The gratuity fund is administered through Life Insurance Corporation of India (insurer) under its group gratuity scheme. Accordingly almost the entire plan asset investment is maintained by the insurer. These are subject to interest rate risk which is managed by the insurer.

Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' assets maintained by the insurer.

The gratuity fund is administered through Life Insurance Corporation (LIC) of India under its Group Gratuity Scheme.

(f) Defined benefit liability and employer contribution

The Company generally eliminates the deficit in the defined benefit gratuity plan with in next one year.

Expected contribution to the post -employment benefit plan (Gratuity) for the next year is ₹ 24.53 lakh

The weighted average duration of the defined benefit obligation is 6

The expected maturity analysis of undiscounted post -employment benefit plan (gratuity) is as follows:

(a) Gratuity

| Particulars | [₹ In Lacs] | |
|-----------------------------------|--------------------------|--------------------------|
| | As at 31st March 2019 | As at 31st March 2018 |
| 1 st following year | 42.32 | 42.04 |
| 2 nd following year | 0.82 | 0.78 |
| 3 rd following year | 0.86 | 0.80 |
| 4 th following year | 0.95 | 0.80 |
| 5 th following year | 1.27 | 0.92 |
| Sum of year 6 to 10 th | 5.38 | 5.41 |
| Sum of Years 11 and above | 78.23 | 70.46 |

Note 43: Segment Information

The operating segment of the company is identified to be " **Manufacturing and trading of Dyes, Chemicals and Pigments**", as the Chief Operating Decision Maker (CODM) reviews business performance at an overall company level as one segment and hence, does not have any additional disclosures to be made under Ind AS 108 Operating Segments.

Annual Report 2018-2019

However, The Company has two geographical segments "India and Rest of World", revenue from the geographic segments based on domicile of the customer are as follows:

| Description | India | Rest of the world | Total |
|---|---------|-------------------|---------|
| [` in Lacs] | | | |
| Revenues | | | |
| - Year ended 31 st March, 2019 | 6799.98 | 1667.00 | 8466.98 |
| - Year ended 31 st March, 2018 | 5900.07 | 2270.92 | 8170.99 |

Note 44:

1. Related Party Disclosures for the year ended March 31, 2019

(a) Details of Related Parties

| Sr.No. | Description of Relationship | Names of Related Parties |
|--------|--|---|
| 1 | Key Management Personnel (KMP) | Kandarp K. Amin Archana K. Amin Archit K. Amin |
| 2 | Relatives of KMP | Suchit K Amin Shimoli A. Amin Manini S. Amin |
| 3 | Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party) | Krishna Orgochem Adonis Lifecare Private Limited Archit Advance Materials Kalindi Impex S.D. Agro Organosys Kalindi Industries |

(b) Details of transactions with related parties for the year ended March 31, 2019 in the ordinary course of business:

| Sr. No. | Nature of Relationship / Transaction | Key Management Personnel (KMP) | Relatives of KMP | Enterprise over which KMP and Relatives have significant influence | Total |
|--------------|--------------------------------------|--------------------------------|------------------|--|-------|
| [` In Lacs] | | | | | |
| 1 | Director Remuneration | | | | |
| | Archanaben K. Amin | 60.00 | - | - | 60.00 |
| | Kandarp K. Amin | 60.00 | - | - | 60.00 |
| | Archit K. Amin | 36.00 | - | - | 36.00 |
| | Suchit K Amin | - | 29.40 | - | 29.40 |
| | Shimoli A. Amin | - | 9.00 | - | 9.00 |
| | Manini S. Amin | - | 9.00 | - | 9.00 |
| 2 | Sale of Services | | | | |
| | Archit Advance Materials | - | - | 2.54 | 2.54 |
| 3 | Loan taken during the year | | | | |
| | Archanaben K. Amin | 50.00 | - | - | 50.00 |
| 4 | Loan repaid during the year | | | | |
| | Archanaben K. Amin | 50.00 | - | - | 50.00 |
| 5 | Rental | | | | |
| | Archanaben K. Amin | 36.50 | - | - | 36.50 |
| | Kandarp K. Amin | 7.80 | - | - | 7.80 |
| | Shimoli A. Amin | - | 10.53 | - | 10.53 |
| | Manini S. Amin | - | 6.40 | - | 6.40 |

| Sr. No. | Nature of Relationship / Transaction | Key Management Personnel (KMP) | Relatives of KMP | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--------------------------------------|--------------------------------|------------------|--|-------|
| 6 | Packing Expenses | | | | |
| | Kalindi Impex | - | - | 3.57 | 3.57 |
| | Krishna Orgochem | - | - | 12.03 | 12.03 |
| 7 | Purchase | | | | |
| | Kalindi Impex | - | - | 15.00 | 15.00 |
| | Krishna Orgochem | - | - | 15.68 | 15.68 |

c) Amount due to / from related parties as at March 31, 2019

1 Security Deposit for rent

| | | | | |
|--------------------|-------|-------|---|-------|
| Archanaben K. Amin | 36.51 | - | - | 36.51 |
| Shimoli A. Amin | - | 10.53 | - | 10.53 |
| Manini S. Amin | - | 6.40 | - | 6.40 |

2. Related Party Disclosures for the year ended March 31, 2018

(a) Details of Related Parties

| Sr.No. | Description of Relationship | Names of Related Parties |
|--------|--|---|
| 1 | Key Management Personnel (KMP) | Kandarp K. Amin Archana K. Amin Archit K. Amin |
| 2 | Relatives of KMP | Suchit K Amin Shimoli A. Amin Manini S. Amin |
| 3 | Enterprise over which KMP / Relatives of KMP exercise significant influence through controlling interest (Other Related Party) | Krishna Orgochem Adonis Lifecare Private Limited Archit Advance Materials Kalindi Impex S.D. Agro Organosys Kalindi Industries |

(b) Details of transactions with related parties for the year ended March 31, 2018 in the ordinary course of business:

[` In Lacs]

| Sr. No. | Nature of Relationship / Transaction | Key Management Personnel (KMP) | Relatives of KMP | Enterprise over which KMP and Relatives have significant influence | Total |
|---------|--------------------------------------|--------------------------------|------------------|--|--------|
| 1 | Director Remuneration | | | | |
| | Archanaben K. Amin | 53.25 | — | — | 53.25 |
| | Kandarp K. Amin | 53.25 | — | — | 53.25 |
| | Archit K. Amin | 32.25 | — | — | 32.25 |
| | Suchit K Amin | — | 29.40 | — | 29.40 |
| | Shimoli A. Amin | — | 8.25 | — | 8.25 |
| | Manini S. Amin | — | 15.60 | — | 15.60 |
| 2 | Sales Commission Expense | | | | |
| | Adonis Lifecare Private Limited | — | — | 18.22 | 18.22 |
| 3 | Interest Expense | | | | |
| | Archanaben K. Amin | 0.74 | — | — | 0.74 |
| | Krishna Orgochem | — | — | 3.70 | 3.70 |
| | Adonis Lifecare Private Limited | — | — | 3.45 | 3.45 |
| 4 | Loan taken during the year | | | | |
| | Archanaben K. Amin | 50.00 | — | — | 50.00 |
| | Krishna Orgochem | — | — | 195.00 | 195.00 |
| | Adonis Lifecare Private Limited | — | — | 77.50 | 77.50 |
| 5 | Loan repaid during the year | | | | |
| | Archanaben K. Amin | 50.00 | — | — | 50.00 |
| | Krishna Orgochem | — | — | 295.00 | 295.00 |
| | Adonis Lifecare Private Limited | — | — | 77.50 | 77.50 |
| 6 | Rental paid | | | | |
| | Archanaben K. Amin | 18.71 | — | — | 18.71 |
| | Kandarp K. Amin | 7.80 | — | — | 7.80 |
| | Shimoli A. Amin | — | 4.39 | — | 4.39 |
| | Manini S. Amin | — | 2.67 | — | 2.67 |
| 7 | Sales | | | | |
| | Archit Advance Materials | — | — | 0.01 | 0.01 |
| | Krishna Orgochem | — | — | 61.41 | 61.41 |
| 8 | Purchase | | | | |
| | Kalindi Impex | — | — | 168.94 | 168.94 |
| | Krishna Orgochem | — | — | 94.15 | 94.15 |
| | Archit Advance Materials | — | — | 0.51 | 0.51 |
| | S.D. Agro Organosys | — | — | 42.00 | 42.00 |

(c) Amount due to / from related parties as at March 31, 2018

| | | | | | |
|---|----------------------------------|-------|-------|-------|-------|
| 1 | Security Deposit for rent | | | | |
| | Archanaben K. Amin | 36.51 | — | — | 36.51 |
| | Shimoli A. Amin | — | 10.53 | — | 10.53 |
| | Manini S. Amin | — | 6.40 | — | 6.40 |
| 2 | Trade Receivable | | | | |
| | Krishna Orgochem | — | — | 61.41 | 61.41 |

ARCHIT ORGANOSYS LIMITED

Note 45 : Capital Management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances) and total equity of the Company.

| Particulars | [` In Lacs] | |
|-----------------------------------|--------------------------|--------------------------|
| | As at 31st March 2019 | As at 31st March 2018 |
| Equity share capital | 1502.07 | 1504.20 |
| Other equity | 1990.15 | 2455.40 |
| Total equity | 3492.23 | 3959.60 |
| Non-current borrowings | 1773.32 | 1922.53 |
| Short term borrowings | 1366.29 | 826.91 |
| Total loans and borrowings | 3139.60 | 2749.44 |
| Cash and cash equivalents | 489.92 | 74.23 |
| Net Debt | 2649.69 | 2675.20 |
| Net debt to equity | 75.87% | 67.56% |

Note 46 : Fair value measurements

A. Financial instruments by category

| Particulars | [` in lacs] | | | | | |
|------------------------------------|-------------------|----------|----------|-------------------|----------|----------|
| | March 31, 2019 | | | March 31, 2018 | | |
| | Amortized cost | FVTPL | FVTOCI | Amortized cost | FVTPL | FVTOCI |
| Financial Assets | | | | | | |
| Trade receivables | 1435.05 | - | - | 3136.24 | - | - |
| Cash and cash equivalents | 489.92 | - | - | 74.23 | - | - |
| Other bank balances | - | - | - | 2.90 | - | - |
| Loans | 397.33 | - | - | 2.62 | - | - |
| Others financial assets | 162.67 | - | - | 167.51 | - | - |
| Total Financial Assets | 2484.97 | - | - | 3383.50 | - | - |
| Financial Liabilities | | | | | | |
| Borrowings | 3139.60 | - | - | 2749.44 | - | - |
| Trade payables | 1061.69 | - | - | 2162.88 | - | - |
| Other financial liabilities | 630.01 | - | - | 1026.18 | - | - |
| Total Financial Liabilities | 4831.30 | - | - | 5938.50 | - | - |

B. Fair value hierarchy for assets

Financial assets measured at fair value at 31st March, 2019

| | [` in lacs] | | | |
|---|--------------|---------|---------|--------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | |
| Derivative Instruments | — | (1.06) | — | (1.06) |
| Financial assets measured at fair value at 31st March, 2018 | | | | |
| Financial Assets | | | | |
| Derivative Instruments | — | 1.73 | — | 1.73 |

Notes:

Level 1 hierarchy includes financial instruments measured using quoted prices (unadjusted) in active market for identical assets that the entity can access at the measurement date. This represents mutual funds that have price quoted by the respective mutual fund houses and are valued using the closing Net asset value (NAV).

Level 2 hierarchy includes the fair value of financial instruments measured using quoted prices for identical or similar assets in markets that are not active.

Level 3 if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted compound instruments.

There are no transfers between any of these levels during the year. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

C. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- (i) The use of quoted market prices or mutual fund houses quotes (NAV) for such instruments. This is included in Level 1

D. Fair value of financial assets and liabilities measured at amortized cost

The Management has assessed that fair value of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets and trade payables approximate their carrying amounts largely due to their short-term nature. Difference between carrying amount of Bank deposits, other financial assets, borrowings and other financial liabilities subsequently measured at amortised cost is not significant in each of the years presented.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 47 : Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the Audit Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee holds regular meetings and report to board on its activities.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising from | Measurement | Management of risk |
|--------------------------------|--|---|---|
| Credit risk | Cash and cash equivalents, trade receivables, Financial assets measured at amortized cost. | Aging analysis | Diversification of funds to bank deposits, Liquid funds and Regular monitoring of credit limits. |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of surplus cash, committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Recognized financial assets and liabilities not denominated in Indian rupee (₹) | Cash flow forecasting Sensitivity analysis | Regular monitoring to keep the net exposure at an acceptable level, with option of taking Forward Foreign exchange contracts if deemed necessary. |
| Price Risk | Investments in mutual funds | Credit ratings | Portfolio diversification and regular monitoring |

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The company is exposed to the credit risk from its trade receivables, unbilled revenue, investments, cash and cash equivalents, bank deposits and other financial assets. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets.

Credit Risk Management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at 31 March 2019, as summarized below:

| Particulars | [` In Lacs] | |
|---------------------------|---------------------------|---------------------------|
| | As at 31st March, 2019 | As at 31st March, 2018 |
| Loans | 397.33 | 2.62 |
| Other financial assets | 162.67 | 167.51 |
| Cash and cash equivalents | 489.92 | 74.23 |
| Other Bank Balances | - | 2.90 |
| Trade receivables | 1435.05 | 3136.24 |
| | 2484.97 | 3383.51 |

Trade and other receivables

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

For trade receivables, provision is provided by the company as per the below mentioned policy:

| Particulars | Gross carrying amount | Expected credit losses rate (%) | Expected credit losses | [` in lacs] |
|----------------------------|--------------------------|------------------------------------|---------------------------|---|
| | | | | Carrying amount of trade receivable |
| Considered Good | | | | |
| 0 – 2 years | 1435.05 | - | - | 1435.05 |
| More than 2 year | 0.00 | 1% | - | 0.00 |
| Total | | | | |
| Considered Doubtful | -- | — | — | — |
| Total : | 1435.05 | — | — | 1435.05 |

Cash and Cash Equivalents

Credit risk on cash and cash equivalents and other deposits with banks is limited as the Company generally invests in deposits with banks with high credit ratings assigned by external credit rating agencies; accordingly the Company considers that the related credit risk is low. Impairment on these items is measured on the 12-month expected credit loss basis.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury maintains flexibility in funding by maintaining liquidity through investments in liquid funds and other committed credit lines. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

Financing arrangements

The working capital position of the Company is given below:

| Particulars | [` in lacs] | |
|---------------------------|------------------------------|------------------------------|
| | 31 st March, 2019 | 31 st March, 2018 |
| Cash and cash equivalents | 489.91 | 74.23 |

Liquidity Table

The Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods is given below. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

As at March 31, 2019

[` in Lacs]

| Financial Liabilities | Payable within 0 to 12 Months | More Than 12 Months | Total |
|--|----------------------------------|------------------------|---------|
| As at March 31, 2019 | | | |
| Non-current financial liabilities | | | |
| Borrowings | — | 1773.32 | 1773.32 |
| | — | 1773.32 | 1773.32 |
| Current financial liabilities | | | |
| Borrowings from Banks | 1366.28 | — | 1366.28 |
| Trade payables | 1061.69 | — | 1061.69 |
| Other Financial Liability | 630.01 | — | 630.01 |
| | 3057.98 | — | 3057.98 |
| Total financial liabilities | 3057.98 | 1773.32 | 4831.30 |
| As at 31st March, 2018 | | | |
| Non-current financial liabilities | | | |
| Borrowings | — | 1922.53 | 1922.53 |
| | | 1922.53 | 1922.53 |
| Current financial liabilities | | | |
| Borrowings from Banks | 826.91 | — | 826.91 |
| Trade payables | 2162.88 | — | 2162.88 |
| Other Financial Liability | 1026.18 | — | 1026.18 |
| | 4015.97 | — | 4015.97 |
| Total financial liabilities | 4015.97 | 1922.53 | 5938.50 |

(c) **Market Risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

(i) **Currency Risk**

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency ('), primarily in respect of US\$, and Euro. The Company ensures that the net exposure is kept to an acceptable level and is remain a net foreign exchange earner.

Exposure to currency risk

The currency profile of financial assets and financial liabilities are given below:

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|-------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| | Amount Foreign Currency | Amount in Indian Currency | Amount Foreign Currency | Amount in Indian Currency |
| Financial Assets | | | | |
| Trade receivables | | | | |
| Unhedged | USD 0.12 | 7.48 | USD 3.27 | 212.50 |
| Hedged | USD 0.44 | 31.42 | USD 8.05 | 523.87 |
| Total | USD 0.56 | 38.90 | USD 11.32 | 736.37 |

| Particulars | As at March 31, 2019 | | As at March 31, 2018 | |
|------------------------------|-------------------------|---------------------------|-------------------------|---------------------------|
| | Amount Foreign Currency | Amount in Indian Currency | Amount Foreign Currency | Amount in Indian Currency |
| Financial liabilities | | | | |
| Trade payable | | | | |
| Unhedged | USD 1.60 | 110.66 | USD 6.47 | 420.91 |
| Hedged | - | - | - | - |
| Total | USD 1.60 | 110.66 | USD 6.47 | 420.91 |

Sensitivity Analysis

Any change with respect to strengthening (weakening) of the Indian Rupee against various currencies as at March 31, 2019 and March 31, 2018 would have affected the measurement of financial instruments denominated in respective currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates.

[` in lacs]

| Particulars | Profit or Loss | | Profit or Loss | |
|---|----------------|-------------|----------------|---------------|
| | March 31, 2019 | | March 31, 2018 | |
| | Strengthening | Weakening | Strengthening | Weakening |
| USD sensitivity | | | | |
| USD (Increase/decrease by 1%, March 31, 201-1%) | (0.72) | 0.72 | 7.36 | (7.36) |
| Total | (0.72) | 0.72 | 7.36 | (7.36) |

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments. Most of the Company's borrowings are on a floating rate of interest. The Company has exposure to interest rate risk, arising principally on changes in Marginal Cost of Funds based Lending Rate (MCLR). The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term credit lines besides internal accruals.

The exposures of the Company's financial assets / liabilities at the end of the reporting period are as follows:

[` In Lacs]

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|--------------------------|-----------------------|-----------------------|
| Fixed rate borrowings | 17.04 | 37.98 |
| Floating rate borrowings | 3700.27 | 3563.98 |
| Total borrowings | 3717.31 | 3601.96 |

Interest rate risk sensitivity:

The below mentioned sensitivity analysis is based on the exposure to interest rates for floating rate borrowings. For this it is assumed that the amount of the floating rate liability outstanding at the end of the reporting period was outstanding for the whole year. If interest rate had been 50 basis points higher or lower, other variables being held constant, following is the impact on profit.

[` in Lacs]

| Particulars | Year ended March 31, 2019 | Year ended March 31, 2018 |
|---|---------------------------|---------------------------|
| Interest sensitivity* | | |
| Interest rates – increase by 50 basis points (50 bps) | 18.59 | 17.82 |
| Interest rates – decrease by 50 basis points (50 bps) | (18.59) | (17.82) |

* Holding all other variables constant

(iii) Price Risk

Exposure

The Company's exposure to securities price risk arises from investments held in mutual funds and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio. Further these are all debt base securities for which the exposure is primarily on account of interest rate risk. Quotes (NAV) of these investments are available from the mutual fund houses.

Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

Note 48 :

(a) Due to Micro, Small and Medium Enterprise

| | | [` in Lacs] | |
|---------|--|--------------|-----------|
| Sr. No. | Particulars | 2018-2019 | 2017-2018 |
| 1 | Principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 17.05 | 5.08 |
| 2 | The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | NIL | NIL |
| 3 | The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006. | NIL | NIL |
| 4 | The amount of interest accrued and remaining unpaid at the end of each accounting year; and | NIL | NIL |
| 5 | The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006. | NIL | NIL |

The company has received confirmation from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The above mentioned information has been compiled to the extent of responses received by the company from its suppliers with regard to their registration under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

- (b)** The company has circulated letters of Balance Confirmation to Sundry Debtors, Sundry Creditors and the parties to whom loans and advances have been granted. Confirmations were received in some cases.

Note 49 : Statement of Management

- (a)** The non current financial assets, current financial assets and other current assets 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. There are no contingent liabilities except those stated in the notes.
- (b)** Balance Sheet, Statement of Profit and Loss, cash flow statement and change in equity 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 financial performance of the Company for the year under review.

ARCHIT ORGANOSYS LIMITED

Note 50:

The figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable with the figures for the current year. Figures are rounded off to nearest lacs.

As per our attached report of even date

FOR Chirag R. Shah & Associates

[Firm Registration No. 118791W]

Chartered Accountants

Chirag R Shah

Proprietor

Mem. No. 106139

Place : Ahmedabad

Date : May 30, 2019

For and on behalf of Board of Directors of
ARCHIT ORGANOSYS LIMITED

Kandarp K Amin

Whole Time Director

DIN: 00038972

Archana K Amin

Whole Time Director

DIN: 00038985

Gajendra Rajput

Chief Financial Officer

Anchal Bansal

Company Secretary

Place : Ahmedabad

Date : May 30, 2019

ARCHIT ORGANOSYS LIMITED

L24110GJ1993PLC019941

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

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

ATTENDANCE SLIP

I /We hereby record my / our presence at the 26th Annual General Meeting of the members of the Company to be held on Saturday, 28th September, 2018 at 11.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat 380015

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.

AGM Venue



ARCHIT ORGANOSYS LIMITED

L24110GJ1993PLC019941

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

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

PROXY FORM

FORM NO. MGT-11

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

Name of the member(s) : _____

Registered Address : _____

E-mail ID : _____

Folio No./ Client Id / Dp. Id : _____

No. of Shares _____

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

1. Name : _____ Address _____
E-mail ID: _____ Signature _____ or failing him/her
2. Name : _____ Address _____
E-mail ID: _____ Signature _____ or failing him/her
3. Name : _____ Address _____
E-mail ID: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on Saturday, 28th September, 2019 at 11.00 A.M. at Ahmedabad Management Association, ATIRA Campus, Dr Vikram Sarabhai Marg, University Area, Ahmedabad, Gujarat-380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

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

| Resolution No. | Particulars of Resolution | For | Against |
|--------------------------|--|-----|---------|
| ORDINARY BUSINESS | | | |
| 1. | To consider and adopt the Audited Financial Statements of the Company for the year ended on March 31, 2019 and the Directors' report and Auditors' report thereon. | | |
| 2. | Re-appointment of Shri Archit K. Amin, as a Director who retires by rotation. | | |
| SPECIALBUSINESS | | | |
| 3. | To Approve for continue pay of remuneration to Shri Kandarp Amin, Smt. Archana Amin, Shri Archit Amin as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Companies Act, 2013. | | |

Signed this _____ day of _____ of 2019

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Note :

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. **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.
4. Appointing the proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
5. Please complete all details including details of member (s) in the above box before submission.



If undelivered please return to :



ARCHIT ORGANOSYS LIMITED

CIN: L24110GJ1993PLC019941

**CORPORATE OFF: 9TH FLOOR, VENUS BENECIA, NR. PAKWAN RESTAURANT,
BODAKDEV S.G. HIGHWAY, AHMEDABAD- 380054
PHONE: 91-79- 26873340 E-MAIL: share@architorg.com**