

**ANNUAL REPORT
2011 - 2012**

ARCHIT ORGANOSYS LIMITED.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Kandarp K. Amim
Smt. Archana K. Amim
Shri Bhupen Mehta
Shri Haresh Shah
Shri Sanjay Khothari
Shri Dipesh Kotak

BANKERS

Union Bank of India
Ellisbridge Branch
Ashram Road,
Ahmedabad - 380 014

AUDITORS

G.K. Choksi & Co.
Ahmedabad

REGISTERED OFFICE

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

FACTORY ADDRESS

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

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

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Monday, 17th September, 2012 at 10.30 a.m. at the Registered Office of the Company at Plot No. 25/9/A, Phase III, G.I.D.C. Naroda, Ahmedabad - 382 330, to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that day together with the Directors' Report and the Auditors' Report thereon.
- (2) To appoint a Director in place of Shri Dipesh Kotak who retires by rotation and being eligible, offers himself for re-appointment.
- (3) To appoint a Director in place of Smt Archana Amin who retires by rotation and being eligible, offers himself for re-appointment.
- (4) To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

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.** Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to notify the changes, if any, in their registered address.
3. The Register of Members and Share Transfer Book of the Company shall remain closed from Monday, 10th September, 2012 to Monday, 17th September, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to bring their copy of Annual Report to the meeting.
5. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries at least ten days before the date of the meeting so that the information can be made available at the meeting.
6. Information required to be furnished under the Listing Agreement, as required under the Listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed, are given below:
 - I. **Name** : Shri Dipesh Kotak
Date of Birth : 08 - 02 -1984
Qualification : B.Com.
Expertise : Accounting and commercial matters.
 - II. **Name** : Smt. Archana Amin
Date of Birth : 11 - 12 -1959
Qualification : B.sc (Chemistry)
Expertise : Procurement, Export Business and Production planning .

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

Place: Registered Office
Plot No. 25/9/A, Phase III,
G.I.D.C. Naroda, Ahmedabad - 382 330
Date: 29th May, 2012

(KANDARP K. AMIN)
CHAIRMAN

DIRECTORS' REPORT

To,
The Members,

Your Directors present the Annual Report together with the audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL RESULTS :

The operating results of the Company for the year ended 31st March 2012 are briefly indicated below:

	Year	(Rs. in lacs)
	2011-2012	2010-2011
Profit / (loss) Before Depreciation and Taxation	117.18	90.31
Depreciation	36.87	37.00
Profit / (Loss) before Taxation	80.31	53.31
Provision for taxation - For Current Tax	16.00	10.20
Provision for taxation - For Deferred Tax	(2.88)	7.23
Tax in respect of earlier years	0.01	4.45
Profit / (Loss) after Taxation	67.18	31.43

DIVIDEND

In order to plough back resources, your directors do not recommend any payment of dividend for the financial year.

PERFORMANCE OF THE COMPANY & FUTURE PROSPECTS.

During the year under review, the Company has achieved sales of Rs. 4738.84 lacs (Previous year sales of Rs. 4320.62 lacs). Further details are given in management discussions and analysis report.

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges Management Discussions & Analysis Report is attached as part of this Annual Report.

DEPOSITS

The Company has not accepted any deposits with in the meaning of Section 58 A of the Companies Act, 1956.

CHANGE OF NAME:

As the members are aware, the name of the Company has been changed from "Shri Chlochem Limited" to "Archit Organosys Limited" w.e.f. 19th May, 2012 after obtaining necessary approval from the relevant authority.

DIRECTORS

Shri Dipesh Kotak and Smt Archana Amin, Directors of the Company are retiring by rotation and being eligible, offer themselves for re-appointment.

CORPORATE GOVERNANCE REPORT

Your Company has complied with the Corporate Governance practice mandated by Clause 49 of the Listing Agreement. A report on the same is given separately.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, the Directors Confirm that:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- 2) appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and profit of the Company for that period;
- 3) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the accounts have been prepared on going concern basis.

INSURANCE

The Company has taken adequate insurance to cover its assets.

LISTING

The Company's Securities are listed with the Stock Exchanges at Ahmedabad and Mumbai. The Company has paid the listing fees for the year 2012-2013 to both the Stock Exchanges.

EMPLOYEES

As there are no employees drawing remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended, from time to time, statement under section 217(2A) is not required.

AUDITORS' OBSERVATIONS:

With regard to the observation of auditors regarding:-

1. Non provision of the option loss, 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 provision has not been made for the option loss and interest thereon.
2. The Company is yet to initiate the process of obtaining confirmation from suppliers who have registered themselves under Micro, Small and Medium Enterprises Development Act, 2006. In the absence of relevant information, the balance due to micro, small and medium enterprises and interest paid and payable under MSMED Act, 2006 could not be complied with and disclosed.
3. The Company is in process of preparing / compiling the records of Fixed Assets including the quantitative and situation of fixed assets. Once the records have been compiled, the management would verify the fixed assets physically, however the company has a regular programme of verification which is reasonable having regard to the size of the company and nature of its business

AUDITORS:

The Company's Auditors M/s. G. K. Choksi & Co., Chartered Accountants, will retire at the ensuing Annual General Meeting but being eligible offers themselves for re-appointment. The Members are requested to appoint auditors for the current year and fix remuneration.

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

Particulars to be given in respect of the above activity under the Companies (Disclosure of Particulars in report of Directors) Rules, 1988 is given in the Annexure to this report.

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.

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

Place: Registered Office
Plot No. 25/9/A, Phase III,
G.I.D.C. Naroda, Ahmedabad - 382 330
Date: 29th May, 2012

(KANDARP K. AMIN)
CHAIRMAN

ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

(A) Conservation of energy:

a) Energy conservation measures are taken:

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.

b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy and other raw materials.

Company is continuously monitoring and making effort for optimum utilization of equipments which ensures to conserve energy during routine operations itself. There is no specific investment plan for energy conservation.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

Impact of the measures mentioned here in above in point (a) and (b) certainly reduces the energy consumption and consequent impact on the cost of production of services.

d) Total energy consumption and energy consumption per unit of production as per Form A of the Annexure:

FORM A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. POWER & FUEL CONSUMPTION

	Current year	Previous year
1. Electricity		
a) Purchase Units KWH (in lacs)	6.97	8.37
Total amount (Rs. In Lacs)	41.45	46.02
Rate/Unit (Rs. per KWH)	5.95	5.50
b) Own Generation :		
Units (in lacs)	N.A.	N.A.
Total amount (Rs. in lacs)	N.A.	N.A.
Rate/Unit (Rs.)	N.A.	N.A.
2. Coal & Lignite	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Other (integral generation)	N.A.	N.A.

B. Consumption per unit of production

	Standards (if any)	Current year 1	Previous year 2
Products (with details) unit	----	----	----
Electricity	----	0.83	0.87
Furnace oil	----	----	----
Coal (specify quality)	----	----	----
Other (specify)	----	----	----

(B) Technology Absorption:

The efforts made in technology absorption are mentioned below in Form-B

FORM – B

Form for disclosure of particulars with respect to absorption

RESEARCH AND DEVELOPMENT (R & D):

1. Specific areas in which (R & D) carried out by the Company.

Company is continuously carrying out R & D activities in the areas of new product/process development, improvement in existing process.

These efforts have resulted in improvement in production process, better quality, stability and bio invisibility.

2. Benefits derived as a result of the above R & D.

Production processes have improved resulting in better productivity

3. Future plan of action.

The Company has nothing to report under this clause

4. Details of R & D Expenditure.

Expenditure charged to respective primary heads of accounts

TECHNOLOGY ABSORPTION, ADAPTION AND INNOVATION.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.:

Company has always been making best effort towards technology absorption, adaptation and innovation to improve the quality.

2. Benefits derived as a result of the above efforts e.g. product, improvements, cost reduction, product development, import substitution etc.:

It improves the quality of company's products being manufactured and reduces the cost of production.

3. Details of Technology imported (during the last 5 years).

a. Technology imported: N.A.

b. Year of import: N.A.

c. Has technology been fully absorbed? : N.A.

d. If not absorbed, areas where this has not taken place, reasons there for and future plan of action: N.A.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Activities relating to exports:

The company is concentrating on continuous quality and product improvement.

The company is also planning to increase its presence in the global market and also to explore new market and also to explore new market for its activities.

2. Total foreign exchange used and earned.

	Current year	Previous year
Earnings :	Rs. 1280.71 lacs	Rs. 1326.90 lacs
Out go :	Rs. 666.58 lacs	Rs. 512.20 lacs

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

Place: Registered Office
Plot No. 25/9/A, Phase III,
G.I.D.C. Naroda, Ahmedabad - 382 330
Date: 29th May, 2012

(KANDARP K. AMIN)
CHAIRMAN

CIN. :L24110GJ1993PLC019941

Nominal Capital Rs. : 33,000,000/-

SECRETARIAL COMPLIANCE CERTIFICATE

To,
The Members,
ARCHIT ORGANOSYS LIMITED.
(Formerly known as SHRI CHLOCHEM LIMITED)
Plot No. 25/9-A, Phase-III,
GIDC Naroda,
Ahmedabad - 382 330.

We have examined the registers, records, books and papers of ARCHIT ORGANOSYS LIMITED (Formerly known as Shri Chlochem Limited), (the Company) as required to be maintained under the Companies Act, 1956 (the Act), and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the year ended 31-03-2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents and to the best of our knowledge and belief, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act, and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Gujarat.
3. The Company, being a Public Limited Company and has minimum prescribed share capital and comments on the maximum number of members during the year under review is not required.
4. The Board of Directors duly met 7 times on (1) 01-04-2011 (2) 20-05-2011 (3) 12-07-2011 (4) 11-08-2011 (5) 14-11-2011 (6) 14-02-2012 and (7) 28-03-2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
The Audit Committee duly met on (1) 20-05-2011 (2) 11-08-2011 (3) 14-11-2011 and (4) 14-02-2012 in respect of which meeting proper notice was given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
The Remuneration Committee met on 01-04-2011 in respect of which meeting proper notice was given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 29-08-2011 to 02-09-2011 and necessary compliance of section 154 of the Act has been made during the year under review.
6. The Annual General Meeting for the financial year ended on 31-03-2011 was held on 02-09-2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year under review.
8. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year under review.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act, in respect of the contracts falling within the purview of section 297 of the Act, during the year under review.
11. The Company has obtained necessary approvals from the Board of Directors and members of the Company pursuant section 314 wherever applicable and approval of Central Government was not required to be obtained under the said section.

12. The Company has not issued any duplicate share certificate during the year under review.
13. During the year under review :
 - (i) the Company has delivered all the certificates on lodgment there of for transfer / transmission of shares in accordance with the provisions of the Act and there was no allotment of Shares or securities.
 - (ii) the Company has not deposited any amount in a in separate Bank Account as no dividend was declared.
 - (iii) the Company was not required to post warrants to any members of the Company as no dividend was declared.
 - (iv) the Company has not transferred any amounts in unpaid dividend account application money due for refund, matured deposits, matured debentures and interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no amounts outstanding;
 - (v) the Company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and during the year appointment of additional Director has been made in accordance with the provisions of the Act and there was no appointment of Alternate Directors and Directors to fill casual vacancy during the year under review.
15. The Company's Paid-up Share Capital being less than the prescribed limit of Rs. 5 Crores, it is not required to appoint any Managing Director / Whole – time Director / Manager and accordingly provisions of Section 269 of the Act, are not applicable.
16. The Company has not appointed any sole-selling agents during the year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the year under review.
18. The Directors have disclosed their interest in other firms / Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the year under review.
20. The Company has not bought back any shares during the year under review.
21. As there were no preference shares or debentures issued, there was no redemption of preference shares or debentures during the year under review.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the year under review.
24. The amounts borrowed by the Company from financial institutions / banks, during the period under review are within the borrowing limits of the Company and that necessary resolution as per section 293(1)(d) of the Act has been passed on 30-12-2009 in duly convened Annual General meeting.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate during the year under review and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under review.

30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the year under review, for offences under the Act.
32. The Company has not received any money as security from its employees during the year under review.
33. The Company has not constituted any separate provident fund of employees or any class of employees as envisaged under section 418 of the said Act.

Date: 29th May, 2012
Place: Ahmedabad

FOR UMESH PARIKH & ASSOCIATES
COMPANY SECRETARIES
(UMESH PARIKH)
Proprietor
C. P. No.: 2413

ANNEXURE "A"

List of Registers as maintained by the Company:

1. Register of Transfer under Section 108
2. Register of Charges under Section 143
3. Register of Members under Section 150
4. Index of Members under Section 151
5. Minutes book of General Meetings, Board meetings and committee meetings u/s 193
6. Books of accounts under Section 209
7. Register of Contracts under Section 301
8. Register of General notice of directors under Section 301(3)
9. Register of Directors etc. under Section 303
10. Register of Directors' Shareholding under Section 307
11. Register of renewed and duplicate Share Certificate

ANNEXURE "B"

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities for and during the financial year ended on 31-03-2012

Sr. No	Form No./ Return	Filed Under Section	Descriptions	Date Of Filing	Whether Filed Within Prescribed Time Yes/ No	If Delay In Filing Whether Requisite Additional Fee Paid Yes/no
1.	32	303(2)	Appointment of Mr. Sanjay Kothari as an additional director of the Company w.e.f. 01.04.2011	30-04-2011	Yes	N.A.
2.	23	269,198, 309,310, Sch XIII & 314	Special resolutions passed at AGM for revision in remuneration payable to whole-time Directors of the Company and appointment and payment/ revision of remuneration to the relatives of Directors.	30-09-2011	Yes	N.A.
3.	32	303(2)	Appointment of Mr. Sanjay Kothari as a Director in AGM held on 02-09-2011.	01-10-2011	Yes	N.A.
4.	66	383/A	Secretarial Compliance Certificate for the financial year ended 31-03-2011.	22-10-2011	No	Yes
5.	20B	159(1)	Annual Return made up to 02-09-2011.	22-10-2011	Yes	No
6.	1A	21	Application for availability of name for change of name.	17-02-2012	Yes	No
7.	23AC & 23ACA	220	Annual Report for the financial year ended 31-03-2011.	14-03-2012	No	Yes

CORPORATE GOVERNANCE REPORT

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

The Securities and Exchange Board of India (SEBI) has introduced a code of corporate governance for listed companies which is implemented through the listing Agreements with the Exchanges with which the Company is listed. The Company has complied with the corporate governance requirements set out in Clause 49 of the listing Agreement.

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

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

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

2) Board of Directors

Composition:

The Board of directors consists of Six Directors, of whom Shri Kandarp K. Amin and Smt. Archana K. Amin are whole time Directors of the Company. The composition of Board of Directors is in compliant with the requirement of Clause 49 (IA) i.e. more than 50 % of Directors are non-executive Directors.

The detailed composition of the Board and other related information is given in the table below.

Board meetings:

During the year, Seven Board Meetings were held on 01-04-2011, 20-05-2011, 12-07-2011, 11-08-2011, 14-11-2011, 14-02-2012 and 28-03-2012.

The composition of Directors and their attendance 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.No	Name of Director	Category of Directorship	No. of Board Meeting	Attendance at last AGM Attendance	No. of other director ships	No. of other Committee Members
1	Shri Kandarp Amim	Chairman and Whole Time Director	7	Yes	---	---
2	Smt. Archana Amim	Whole Time Director	7	Yes	---	---
3	Shri Bhupendra Mehta	Director Independent Director	6	Yes	---	---
4	Shri Haresh Shah	Director Independent Director	6	Yes	---	---
5	Shri Dipesh Kotak	Director Independent Director	6	Yes	---	---
6.	Shri Sanjay Kothari	Director	4	Yes	---	---

Directorship in Private Companies, Foreign Companies and Associates are excluded.

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

The Board meets at least once a quarter and interval between two meetings was not more than four months.

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

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

3) Audit Committee

The Audit Committee consists of 3 (Three) Independent Directors – Shri Bhupendra V.Mehta, Shri Dipesh K. Kotak and Shri Haresh K. Shah.

The composition of Committee and the qualifications are in compliance with the requirements of Clause 49 of Listing Agreement. During the year, 4 (four) Committee Meetings were held on 20-05-2011, 11-08-2011, 14-11-2011 and 14-02-2012 which were attended by all committee members.

The functions of Audit Committee are as per the listing Agreement with the Stock Exchanges. Broadly the same are (i) oversee the financial reporting process (ii) recommend the appointment of auditors, (iii) decide the audit fees, discuss the nature and scope of audit and ascertain area of concern, (iv) review the annual and quarterly financial statements, (v) review the changes in accounting policies etc (vi) review the adequacy of internal audit functions and discuss with them significant findings, (vii) review the disclosure of related party transactions, (viii) Compliance with listing and other legal requirements relating to financial statements

The interval between two meeting convened was not more than four months. 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 Companies Act, 1956

4) Remuneration Committee

The Company's Remuneration Committee consists of three Independent Directors.

The members of the committee are Shri Haresh Shah, Shri Bhupendra Mehta and Shri Dipesh Kotak.

The scope / role of Remuneration Committee is to recommend to the board of Directors remuneration payable to working Directors of the Company, as and when they come for review. During the year, one Committee Meeting was held on 01-04-2011.

Details of remuneration paid for the year ended 31-03-2012

Name	Position held During the period	Salary and Allowance Rs. in Lacs	Perquisites Rs. in Lacs	Total Remuneration Rs. in Lacs
Shri. Kandrap K. Amim	Chairman & Whole-time Director	4.20	NIL	4.20
Smt. Archana K. Amim	Whole-time Director	9.00	NIL	9.00

The Company has not paid sitting fees to any Directors.

5) Shareholders/ Investors Grievances cum Share Transfer Committee.

The Board of Directors of the Company has constituted Shareholders/ Investors Grievances cum Share Transfer Committee which looks in to investor / shareholders grievances.

The members of the committee are Shri Kandarp K. Amin, Shri Bhupendra Mehta and Shri Haresh Shah.

As a measure of good corporate governance and to focus on the Shareholders' grievances and towards strengthening investor relations and to expedite the transfer process in the physical segment, the committee deals with issue of duplicate share certificates, redressing of shareholders and investors complaints and Grievances like transfer of shares, non-receipts of Balance-sheet. All the meetings of the committee were attended by all members.

6) Code of Conduct

The Company's code of conduct has been complied with by all the members of the Board and select employees of the Company. The Company has in place a prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to the unpublished price sensitive information.

7) General Body Meetings

The last three Annual General Meetings were held as under and there was no Extra - Ordinary General Meeting held in last three years :-

Annual General Meeting	Date	Time	Venue
31-03-2011	02-09-2011	11.30 a.m.	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330
31-03-2010	30-09-2010	10.30 a.m.	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330
30-09-2009	30-12-2009	11.00 a.m.	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330

No Special Resolution was put through postal ballot. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

8) Disclosures

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.

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

Business risk evaluation and managing such risk is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

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.

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.

Of the non-mandatory requirements relevant to the Company, training of the Board members and mechanism for evaluation non-executive Board members have not been put in place.

9) Means of Communication

1. The Company has published its quarterly results in Western Times, Gujarati and English Edition.
2. The Management Discussion & Analysis forms part of the Annual Report, which is posted to all the members of the Company.

10) General Shareholder Information

Date, time and venue of AGM	Monday, the 17th September, 2012 at 11.30 a.m. at 25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330
Dates of Book Closure	Monday, 10th September, 2012 to Monday, 17th September, 2012 (both days inclusive)
Listing on Stock Exchanges	The Stock Exchanges at Mumbai & Ahmedabad.
Listing Fees	Company has paid fees to both Stock Exchanges as per listing agreement.
ISIN No.	INE078101011
Stock Exchange's Script Code	Mumbai Stock Exchange : No.524640 Ahmedabad Stock Exchange : No. 53641
Registered Office	25/9/A, Phase III, GIDC Industrial Estate, Naroda, Ahmedabad – 382 330.
Dividend Payment Date	Not Applicable
Compliance Officer	Mr. Mahesh J .Shah
Registrar and Share Transfer Agent	LINK INTIME INDIA PVT. LTD. 211, Sudarshan Complex, Navrangpura, Ahmedabad – 380 009.

Share price on stock exchanges

11) Share price on The Stock Exchange, Mumbai

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

Sr. No.	Month	High (Rs.)	Low (Rs.)
1.	April '11	10.39	8.53
2.	May '11	9.00	7.45
3.	June '11	9.95	7.62
4.	July '11	8.55	8.13
5.	August '11	8.13	7.74
6.	September '11	9.38	8.12
7.	November '11	9.90	9.77

For rest of months shares have not been traded

Financial Calendar 2012-2013 (tentative)

Annual General Meeting	Last week of September 2012
Results for quarter ending June 30, 2012	on or before 14th August, 2012
Results for quarter ending September 30, 2012	on or before 14th November, 2012
Results for quarter ending December 31, 2012	on or before 14th February, 2013
Results for year ending March 31, 2013 (un-Audited)	on or before 14th May, 2013

Distribution of Shareholding as on 31-03-2012

No. of Shares	No. of Shareholders	% of holders	No. of Shares	% of Shares
Up to 500	2887	2.04	956500	31.36
501 - 1000	456	12.96	356500	11.69
1001 - 2000	137	3.89	200100	6.56
2001 - 3000	13	0.37	33000	1.08
3001 - 4000	3	0.09	9800	0.32
4001 - 5000	12	0.34	58100	1.91
5001 - 10000	6	0.17	41100	1.35
10001 and above	5	0.14	1394900	45.73
Total	3,519	100.00	30,50,000	100.00

Pattern of Shareholding as on 31-03-2012

Sr. No	Category	No. of Shares	(%)
1.	NRI	59,600	1.95
2.	Financial Institutions/Banks	Nil	N.A.
3.	Mutual Funds	Nil	N.A.
4.	Promoters group	13,09,800	42.95
5.	Body Corporate	1,01,300	3.32
6.	Others	15,79,300	51.78
Total		30,50,000	100.00

Dematerialisation 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 30 days if the documents are in order in all respects.

(ii) Dematerialisation 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 PVT. LTD., having its office at 211, Sudarshan Complex, Navrangpura, Ahmedabad-380009 as Registrar and Share Transfer Agents being a Common Agency for Physical and Electronic modes.

16,69,500 equity shares comprising of 54.74 % of the total equity shares of the Company are in dematerialised form as on 31-03-2012.

The Shareholders Grievance Committee specifically looks into the redressal of shareholders complaints like transfer of equity share and related matters.

(iii) Registrar for Demat and Share Transfer:

LINK INTIME INDIA PVT. LTD.

211, Sudarshan Complex, Navrangpura, Ahmedabad – 380 009

(iv) Investors Correspondence:

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

(v) Secretarial Audit for Reconciliation of Capital :

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

Location

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

Declaration for Compliance of Code of conduct

Code of conduct for Board members and Senior Management personnel was approved at the Board meeting in the month of January 2006.

Company has obtained confirmation for the compliance of code of conduct from all the Board members and senior Management Personnel of the Company on an annual basis. The senior Management Personnel covers all the employees in the cadre of General Manager.

This is a declaration as required by Circular No. SEBI / CFD/DIL/CG/1/2004/12/10 dated 29th October 2004 – annexure – I – Clause I (D) (II).

FOR AND ON BEHALF OF THE BOARD
FOR ARCHIT ORGANOSYS LIMITED

Kandarp K. Amin

Chairman & Whole-time Director

Place: Ahmedabad

Date: 29th May, 2012

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Company is primarily engaged in the business of manufacturing and sale of various chemical products.

The Company has capacity to withstand in the market and face the stiff competition prevailing in the chemical business market. The financial year 2011-12 has been good for our Company and has achieved good growth in sales turnover as compared to previous financial year because Archit Polymers Pvt Ltd business was taken over by Shri Chlochem Ltd.

Opportunities and Outlook

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

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

Outlook

The Company expects to increase its market share in the existing market by increasing its product range through new product launches, especially in pharma industry, expanding its geographical coverage in more regions and undertaking large job contracts. We are cautiously optimistic of our prospects in 2011-12 and believe that the year will go a long way in stabilizing our growth path. The Company also concentrates on adding new products to its existing product range. The Company also puts more efforts in R & D activities, reduction in process cycles, and improvement in existing process etc. The company is also diversifying in to pharma line, by importing bulk drugs and marketing in local market, apart from that the company is also looking to acquire a new unit of pharma formulation which will help the company to diversify its wings in the ever growing pharmaceutical industry. This would also help the Company to perform better in coming years.

Risk and Concerns

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

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

Internal Control Systems and their adequacy

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

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

Financial Performance

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

Material Developments in Human Resources Industrial Relations

The Chemical industry is knowledge driven, considering this aspect we continue to build our team with high quality talent. The Company is putting thrust on providing training both in-house and outside. The key personnel are technically qualified and fully trained to run chemical plants. Company has develop in house quality products of SMCA powder in to crystal form for the first time in Indian market. This product is developed by Mr. Archit Amin, who has studied in U.S.A. This will fetch goods business in export markets with better profitability.

The Company maintains cordial & harmonious relation with its employees.

AUDITORS' CERTIFICATE

To,
The Members,
ARCHIT ORGANOSYS LIMITED.
(Formerly known as SHRI CHLOCHEM LIMITED)

We have examined the compliance of conditions of Corporate Governance by ARCHIT ORGANOSYS LIMITED (Formerly known as Shri Chlochem Limited) for the year ended 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has partly complied with the corporate Governance and it is in process of complying the corporate governance and gradually will implement the same.

We state that no investor grievance(s) is/are pending for a period exceeding for one month against the Company as per the records maintained by the Shareholders/Investors Grievance cum Share Transfer Committee.

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

Place : Ahmedabad
Date: 29th May, 2012.

For G. K. Choksi & Co.
Chartered Accountants

(SANDIP PARIKH)
Partner
Membership No.40727

CERTIFICATION BY CHAIRMAN AND CHIEF- FINANCIAL OFFICER

To,
The Board of Directors
ARCHIT ORGANOSYS LIMITED.
(Formerly known as SHRI CHLOCHEM LIMITED)
Plot No 25/9-A, Phase-III, GIDC Naroda,
Ahmedabad – 382 330

1. We have reviewed the Balance Sheet, Profit and Loss account and all its Schedules and Notes on Accounts, as well as Cash Flow Statements as at 31st March, 2012 and certify that to the best of our knowledge and belief :
 - (i) These Statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading.
 - (ii) These Statements read together present a true and fair view of the Company's Affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. No transactions have been entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We do further certify that there had been :
 - (i) no significant changes in internal control during the year;
 - (ii) no significant changes in accounting policies during the year; and
 - (iii) no instances of significant fraud, of which we are aware during the period.

Place : Ahmedabad

Dated : 29th May, 2012

Chairman

Chief Financial Officer

AUDITORS' REPORT

To

The Members,

ARCHIT ORGANOSYS LIMITED

[Formerly known as Shri Chlochem Limited]

Ahmedabad.

1. We have audited the attached Balance Sheet of ARCHIT ORGANOSYS LIMITED [Formerly known as Shri Chlochem Limited] as at 31st March, 2012 and the related Statement of Profit and Loss and Cash Flow Statement of the company for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis evidence supporting, the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Particular attention is drawn to the following.
 - (i) Note no. 2.26 of Notes forming part of accounts regarding non provision of option loss, though considered as contingent liability by management, amounting to Rs. 142.45 lacs and interest amounting to Rs. 62.31 lacs in respect of concluded derivative contracts resulting into understatement of loss by Rs. 204.76 lacs and understatement of current liabilities by like amount.
 - (ii) The company has not yet compiled the requisite information, related to suppliers who have registered themselves under the Micro, Small And Medium Enterprises Development Act, 2006. In the absence of relevant information the requisite disclosures are not made in the financial statements.

Had the observations made by us in Para 4(i) above been considered, the loss for the year would have been Rs.137.58 lacs as against reported profit of Rs. 67.18 lacs, current liabilities would have been Rs. 1749.19 lacs as against reported current liabilities of Rs. 1544.43 lacs.
5. Further to our comments in the Annexure referred at para 3 above, we report that:
 - a. We have 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, subject to matters stated 1(a) and 1(b) of annexure to the auditors' report below, proper books of account have been kept by the Company as required by law so far as appears from our examination of those books.
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement

comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

- e. On the basis of written representation received from the directors of the company as at 31st March, 2012 and taken on record by the board of directors, we report that none of the directors is disqualified from being appointed as director of company under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, subject to para 4 and 5(b) above, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view; in conformity with the accounting principles generally accepted in India:
- a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012
 - b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date and
 - c. in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Place : Ahmedabad

Date: 29th May, 2012.

(SANDIP PARIKH)
Partner
Membership No.40727

ANNEXURE TO THE AUDITORS' REPORT

Re: ARCHIT ORGANOSYS LIMITED

[Formerly known as Shri Chlochem Limited]

Referred to in paragraph 3 of our report of even date,

- 1 (a) The Company has not compiled fixed assets records to show full particulars, including quantitative details and situation of fixed assets.
- (b) We were informed that the fixed assets were not physically verified by the Management at the end of the year however the company has a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its business. Since the fixed assets records are still under compilation no comparison with the book records have yet been made. In the absence of such comparison opinion as to discrepancies if any can not be given.
- (c) The Company has not disposed of any substantial part of its fixed assets during the year as would affect its going concern status.
- 2 (a) In our opinion, physical verification of inventory (excluding inventory lying with third parties) has been conducted by the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventory followed by the management needs to be strengthened in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of records of inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancy was noticed on physical verification of the inventory.
- 3 (a) The Company has not granted any loans, secured or unsecured to any companies, firms or other parties covered in the register maintained u/s.301 of the Companies Act, 1956. Accordingly clause 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the order are not applicable.
- (b) (i) The Company has taken interest free unsecured loans from three parties and interest bearing unsecured loan from one party covered in the register maintained u/s.301 of the Companies Act, 1956. The balance outstanding on account of these loans as at the end of the year was Rs. 241.41 lacs and the maximum balance outstanding during the year were Rs. 410.06 lacs.
(ii) The terms and conditions of the above loans are prima facie not prejudicial to the interest of the Company.
(iii) As per the information and explanations given to us, principal amount and interest thereon has been repaid whenever they fall due for payment.
- 4 In our opinion and according to information and explanation given to us; the internal control system needs to be strengthened so as to commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets, and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal controls.
- 5 (a) According to information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- 6 In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Section 58A, 58AA or other relevant provisions of the act.
- 7 In our opinion, the company has an adequate internal audit system commensurate with the size and the nature of its business;
- 8 According to information and explanation given to us, the central government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of activities carried out by the company
- 9 (a) In our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues and the company had no arrears of such outstanding dues as at 31st March, 2012 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 does not have any disputed outstanding statutory dues as at 31st March, 2012 except stated hereunder.

Particular	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	10,10,032	2006-2007	Joint Commissioner of Commercial Tax (Appeal)
Gujarat Value Added Tax	7,46,271	2006-2007	Joint Commissioner of Commercial Tax (Appeal)

- 10 The company does not have accumulated losses at year end. However, if had the effect of qualification reported at para 4 of Auditor's report been taken in to consideration, there would have been cash loss to the tune of Rs. 87.57 lacs for the year under review. Similarly, there would have been cash loss to the tune of Rs. 101.79 lacs in the immediately preceding year.
- 11 According to the records of the company examined by us and on the basis of information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or bank.
- 12 As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the company.
- 14 According to the information and explanation given to us, the company does not deal or trade in shares, securities, debentures and other investments.
- 15 In our opinion and according to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- 16 In our opinion and according to the information and explanations given to us, the term loan has been applied for the purpose for which it was obtained.
- 17 On the basis of an overall examination of the balance sheet of the company in our opinion and according to the information and explanations given to us, we report that company has utilised funds raised on short term basis for long term investments to the tune of Rs. 92.39 lacs (previous year Rs. NIL Lacs).
- 18 The company has not made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year under review.
20. The company has not raised any money by public issues during the year under review.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Place : Ahmedabad
Date: 29th May, 2012.

(SANDIP PARIKH)
Partner
Membership No.40727

Balance Sheet as at 31st March, 2012

[Amount in Rs.]

Particulars	Notes	As at 31st March, 2012	As at 31st March, 2011
Equity and Liabilities			
Shareholders' Fund			
Share Capital	2.1	3 03 46 850	3 03 46 850
Reserves and Surplus	2.2	59 01 644	(8 16 518)
		3 62 48 494	2 95 30 332
Non-Current liabilities			
Long term borrowings	2.3	2 07 26 683	58 70 665
Deferred tax liabilities (Net)	2.4	57 31 323	60 19 686
Long term provisions	2.5	10 63 162	5 63 513
		2 75 21 168	1 24 53 864
Current liabilities			
Short term borrowings	2.6	8 44 78 205	7 32 35 141
Trade payables	2.7	6 19 78 048	6 91 16 644
Other current liabilities	2.8	75 87 577	93 40 269
Short term provisions	2.9	2 86 067	7 51 835
		15 43 29 897	15 24 43 889
Total		21 80 99 559	19 44 28 085
Assets			
Non-Current assets			
Fixed assets			
Tangible assets	2.10	5 40 62 240	5 80 07 174
Intangible assets	2.11	15 666	13 214
		5 40 77 906	5 80 20 388
Long term - loans and Advances	2.12	4 52 646	3 50 646
Current Assets			
Inventories	2.13	1 59 43 811	1 69 13 744
Trade receivables	2.14	11 78 12 784	9 84 90 410
Cash & cash equivalents	2.15	2 44 01 374	84 54 648
Short term - Loans & advances	2.16	54 11 038	1 21 98 249
		16 35 69 007	13 60 57 051
Total :		21 80 99 559	19 44 28 085

Significant Accounting Policies 1

Notes forming part of accounts 2

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

As per our attached report of even date

FOR G. K. CHOKSI & CO.

FOR AND ON BEHALF OF THE BOARD

[Firm Registration No. 101895W]

Chartered Accountants

SANDIP A. PARIKH
Partner

KANDARP K. AMIN
Chairman & Whole time Director

ARCHANA K. AMIN
Director

Place : Ahmedabad
Date : 29th May, 2012

Place : Ahmedabad
Date : 29th May, 2012

Statement of Profit and Loss for the year ended 31st March, 2012

[Amount in Rs.]

Particulars	Notes	2011-2012	2010-2011
Income			
Revenue from operations	2.17	47 38 84 619	43 72 53 013
Less : Excise duty		<u>95 33 690</u>	<u>84 61 257</u>
		<u>46 43 50 929</u>	<u>42 87 91 756</u>
Other Income	2.18	<u>1 35 48 000</u>	15 45 715
Total Revenue		47 78 98 929	43 03 37 471
Expenses			
Cost of materials consumed	2.19	15 71 42 793	15 62 26 135
Purchase of Stock-in-Trade	2.20	22 77 40 990	19 97 46 725
Changes in inventories	2.21	28 60 809	(60 39 664)
Employee benefits expenses	2.22	1 05 30 546	86 94 773
Finance costs	2.23	1 65 03 597	1 03 38 759
Depreciation and amortization expenses		36 87 327	37 00 331
Manufacturing and other expenses	2.24	<u>5 14 02 068</u>	<u>5 23 38 814</u>
Total Expenses		46 98 68 130	42 50 05 873
Profit before exceptional and extra		80 30 799	53 31 598
Exceptional items		0	0
Profit before extra ordinary items and tax		80 30 799	53 31 598
Extraordinary Items		0	0
Profit before Tax		80 30 799	53 31 598
Tax Expenses			
Current Tax		16 00 000	10 20 000
Deferred Tax		(2 88 363)	7 23 170
Tax in respect of earlier years		<u>1 000</u>	<u>4 45 365</u>
		13 12 637	21 88 535
Profit/(Loss) for the period carried to Balance sheet		67 18 162	31 43 063
Earnings per equity share:			
Basic and diluted		2.20	1.03
Significant Accounting Policies	1		
Notes forming part of accounts	2		

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

As per our attached report of even date

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants
SANDIP A. PARIKH
Partner
Mem. No. 40727
Place : Ahmedabad
Date : 29th May, 2012

FOR AND ON BEHALF OF THE BOARD

KANDARP K. AMIN **ARCHANA K. AMIN**
Chairman & Whole time Director *Director*

Place : Ahmedabad
Date : 29th May, 2012

Cash Flow Statement for the year ended 31st March, 2012

[Amount in Rs.]

Particulars	2011-2012	2010-2011
A. Cash flow from operating activities:		
Profit/(Loss) for the year before taxation and exceptional items	80 30 799	53 31 598
<i>Adjustments for</i>		
Income Tax Expenses	(1 000)	(4 45 365)
Depreciation and Amortization	36 87 327	37 00 331
Loss on asset discarded	27 630	0
Profit on sale of Fixed Assets	(52 53 610)	(17 172)
Interest Income	(17 83 807)	(3 38 454)
Interest Expenses	1 65 03 597	1 03 38 759
Operating profit before working capital changes	2 12 10 936	1 85 69 697
<i>Adjustments for :</i>		
Trade Receivable	(1 93 22 374)	(4 80 54 654)
Short Term Loans and Advances	67 13 079	88 38 933
Inventories	9 69 933	(71 57 860)
Trade payables	(71 38 596)	2 81 68 334
Other Current Liabilities	(33 77 028)	67 00 307
Cash generated from operations	(9 44 050)	70 64 757
Direct taxes Refund/(paid)	(65 768)	6 26 837
Net cash from operating activities	[A] (10 09 818)	76 91 595
B. Cash flow from investing activities		
Purchase of fixed assets	(51 56 366)	(95 58 732)
Sale of Fixed Assets	1 06 37 500	50 000
Interest received	17 55 938	1 69 867
Net cash used in investing activities	[B] 72 37 072	(93 38 865)
C. Cash flow from financing activities		
Procurement/(Repayment) of long/ short term borrowings	2 60 99 082	1 39 79 422
Interest paid	(1 65 03 597)	(1 03 38 759)
Net cash flow from financial activities	[C] 95 95 485	36 40 663
Net Increase/(Decrease) in cash and cash equivalents	Total : [A+B+C] 1 58 22 739	19 93 393
Cash and cash equivalents opening	76 71 346	56 77 953
Cash and cash equivalents closing	2 34 94 085	76 71 346

Explanatory Notes to Cash Flow Statement

- 1 The Cash Flow Statement is prepared in accordance with the format prescribed by Securites and Exchange Board of India & as Accounting Standard 3 as Prescribed by the Institute of Chartered
- 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
- 3 Figures of the previous year have been regrouped wherever necessary, to confirm to current years presentation

FOR G. K. CHOKSI & CO.
Firm Registration No. 101895W
Chartered Accountants

SANDIP A. PARIKH
Partner

Place: Ahmedabad
Date : 29th May, 2012

FOR AND ON BEHALF OF THE BOARD

KANDARP K. AMIN
Chairman & Whole time Director

ARCHNA K. AMIN
Director

Place: Ahmedabad
Date : 29th May, 2012

Notes forming part of accounts

2.1 Share Capital

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
(a) Authorised		
33,00,000 (P.Y.33,00,000) Equity Shares of Rs. 10/- each	3 30 00 000	3 30 00 000
(b) Issued, Subscribed and fully Paidup		
30,50,000 (P.Y.30,50,000) Equity Shares of Rs. 10/- each Fully Paid up	3 05 00 000	3 05 00 000
Less: Calls In Arrears	1 53 150	1 53 150
	3 03 46 850	3 03 46 850

Note :

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

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

(c) Reconciliation of number of shares

Particulars	Number of Equity Shares	
	2011-2012	2010-2011
At the beginning of the year	30 50 000	30 50 000
Add		
Shares issued for Cash or Right Issue or Bonus	0	0
Exercise of Share Option under ESOS / ESOP	0	0
Shares issued in Business Combination	0	0
	30 50 000	30 50 000
Less		
Shares bought back / Redemption etc.	0	0
As the end of the year	30 50 000	30 50 000

(d) Rights, Preferences and Restrictions

The authorised share capital of the Company has only one class of shares referred to as 'equity shares' having a par value of Rs.10/- each. The rights and privileges to equity shareholders are general in nature and defined under the Articles of Association.

The equity shareholders shall have:

- (i) One Vote and a poll when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a power of attorney or by proxy his voting right shall be in proportion to his share of the paid equity share capital of the company. However, no member shall exercise any voting rights in respect of any share registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has exercised any right of lien,
- (ii) subject to the rights of person if any, entitled to share with special rights as to dividends, all dividends shall be declared and paid according to the amount paid or credited as paid to the shares in respect where of the dividend is paid but if and so long as nothing is paid upon any shares in the company, dividends may be declared and paid according to the amounts of the
- (iii) A special resolution sanctioning a sale to any other company duly passed pursuant to section 494 of the act may, subject to the provision of the act, in like manner as aforesaid determined that any shares or other consideration receivable by the liquidator be distributed against the members otherwise then in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential right conferred by the said section

(e) Details of Shareholdings

Shareholders holding more than 5% shares

Particulars	Number of Equity Shares		Percentage (%)	
	As at		As at	
	31st March, 2012	31st March, 2011	31st March, 2012	31st March, 2011
Kandarp K.Amin	6 80 907	6 68 507	22.32	21.92
Archana K. Amin	5 82 493	5 80 193	19.10	19.02

- (f) The Company have calls in arrears / unpaid calls amounting to Rs.53,150/-, however it does not have any outstanding calls in due from directors and officers of the company. The company has not forfeited any shares at balance sheet date.

2.2 Reserves and surplus

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2012	31st March, 2011
General Resvers	1 50 000	1 50 000
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per previous financial statements	(9 66 518)	(41 09 581)
Add : Profit for the year	67 18 162	31 43 063
Balance available for appropriation	57 51 644	(9 66 518)
Less : Appropriations	0	0
Net Surplus / (Deficit)	57 51 644	(9 66 518)
	59 01 644	(8 16 518)

2.3 Long term borrowings

[Amount in Rs.]

Partiuculars	Non-current portion		Current maturities	
	2011-2012	2010-2011	2011-2012	2010-2011
Secured				
<i>Term Loan</i>				
Union Bank of India	19 69 444	40 09 444	20 40 000	11 61 011
Union Bank of India	0	8 87 092	8 87 092	52 15 158
	19 69 444	48 96 536	29 27 092	63 76 169
<i>Vehicle Loan</i>				
Ahmedabad Mercantile Co.Op Bank Ltd.	4 58 163	0	2 06 400	0
Kotak Mahindra Pvt. Ltd.	2 99 076	9 74 129	6 75 053	6 18 777
	7 57 239	9 74 129	8 81 453	6 18 777
Unsecured				
<i>From Directors</i>	1 80 00 000	0	0	0
	2 07 26 683	58 70 665	38 08 545	69 94 946
Less:				
Amount disclosed under the head "Other Current	0	0	38 08 545	69 94 946
	2 07 26 683	58 70 665	0	0

Nature of Security

- The Term Loans amounting to Rs. 48,96,536/- (P.Y. Rs. 1,12,72,705/-) are secured by mortgage of Land and Building at plot no. 25/9/A and 25/9/B, hypothecation of plant and machinery at plot no. 25/9/A and 25/9/B and FDR. Further it is secured by personal guarantee of Directors.
- The Vehicle loans amounting to Rs. 16,38,652/- (P.Y. Rs. 15,92,906/-) are secured by Vehicles

Terms of Repayment of Loans

Secured Loan

Union Bank of India Repayable instalments commencing from September, 2008 . Last instalments due on September, 2015. Rate of Interest 15.90% as at year end. (P.Y. 14.90%)

Repayable instalments commencing from March, 2009 . Last instalments due on May, 2012. Rate of Interest 15.90% as at year end (P Y 14 90%)

Ahmedabad Mercantile Co-operative Limited Loan is repayable in monthly installments of Rs. 17,200/-

Kotak Mahindra Pvt. Ltd. Loan is repayable in monthly installments of Rs. 61,130/- .

Unsecured Loan

It is repayable on or after September, 2013, rate of interest NIL (P.Y. NIL)

2.4 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

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
Deferred Tax Liabilities		
Difference of book depreciation and tax depreciation	61 06 659	60 54 948
Deferred Tax Assets		
Disallowance u/s. 43(b) under income tax act, 1961	3 53 182	35 262
Disallowance u/s. 40(a) (ia) under income tax act, 1961	22 154	0
	3 75 336	35 262
Net Deferred Tax Liability / (Asset)	57 31 323	60 19 686

2.5 Long term provisions

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
For Employee Benefits		
Gratuity	10 63 162	5 63 513
	10 63 162	5 63 513

2.6 Short term borrowings

[Amount in Rs.]

Particulars	As at 31st March, 2012	As at 31st March, 2011
Loans repayable on demand		
Secured		
Working Capital Loan		
From Banks	7 84 18 205	5 95 40 141
Unsecured		
From Directors	60 60 000	64 15 000
Intercorporate Deposit	0	72 80 000
	60 60 000	1 36 95 000
	8 44 78 205	7 32 35 141

Nature of Security
Secured

- The Working Capital Loans amounting to Rs. 7,84,18,205/- (P.Y. Rs. 5,95,40,141/-) are secured by mortgage of Land and Building at plot no. 25/9/A and 25/9/B, hypothecation of plant and machinery at plot no. 25/9/A and 25/9/B and FDR. Further it is secured by personal guarantee of Directors

2.7 Trade payables

[Amount in Rs.]		
Particulars	As at 31st March, 2012	As at 31st March, 2011
For Capital, Goods and Services		
Related party (Refer Note No. 2.29)	3 58 391	0
Others	6 16 19 657	6 91 16 644
	6 19 78 048	6 91 16 644

Note :

The company is yet to initiate the process of obtaining the confirmation from suppliers who have registered them selves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). In the absence of relevant information relating to the suppliers registered under the Micro, Small and Medium Enterprises (Development) Act, 2006, the balance due to Micro, Small and Medium Enterprises at year end and interest paid or payable under MSMED Act, 2006 during the year could not be compiled and disclosed

2.8 Other current liabilities

[Amount in Rs.]		
Particulars	As at 31st March, 2012	As at 31st March, 2011
Current Maturities of Long Term Debt	38 08 545	69 94 946
Interest accrued and due on short term borrowings	81 012	10 74 919
	0	
Other Payables		
Statutory dues	7 16 578	3 97 873
Union bank of India (Book Overdraft)	9 07 289	7 83 302
Others	20 74 153	89 229
	36 98 020	12 70 404
	75 87 577	93 40 269

2.9 Short term provisions

[Amount in Rs.]		
Particulars	As at 31st March, 2012	As at 31st March, 2011
Others		
For Taxation (Net of advance tax Rs.23,33,933 (P.Y.Rs. 22,68,165)	2 86 067	7 51 835
Total :	2 86 067	7 51 835

2.10 Non Current Assets

Description of Assets	Gross Block at Cost			Depreciation		Net Book Value			
	As at April 01, 2011	Additions during the year	Deletions/Adjustment during the year	As at March 31, 2012	For the year	Up to March 31, 2011	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Land :									
Freehold Land	60 89 590	-	-	60 89 590	-	-	-	60 89 590	60 89 590
Leasehold Land	48 37 617	-	-	38 84 035	47 883	6 44 882	1 46 147	33 37 417	42 92 735
	1 10 27 207	-	10 53 562	99 73 625	47 883	6 44 882	1 46 147	94 27 007	1 03 82 325
Factory Buildings	1 55 89 995	-	2 23 604	1 53 65 391	5 16 423	29 46 194	31 017	1 19 33 791	1 29 42 801
Plant and Machinery	4 68 25 725	41 00 925	1 05 25 848	4 04 00 802	23 94 724	1 80 15 990	67 65 761	2 67 55 849	2 88 09 735
Furniture and Fixtures	13 80 430	-	3 91 060	9 89 370	62 799	5 41 891	3 71 507	7 56 187	8 38 539
Vehicles	66 08 890	10 45 441	15 56 045	60 98 266	5 69 735	19 38 944	10 52 557	46 42 164	46 69 946
Office Equipments	6 93 507	-	78 080	6 15 427	39 729	2 48 552	71 936	3 99 082	4 44 955
Computers	9 71 210	-	4 44 534	5 26 676	48 486	7 52 337	4 22 307	1 48 180	2 18 873
Total :	8 30 95 964	51 46 366	1 42 72 753	7 39 89 877	36 79 779	2 50 88 790	88 61 232	5 40 62 240	5 80 07 174
Previous Year	7 44 32 301	95 46 232	8 82 569	8 30 65 564	36 90 659	2 22 47 873	8 49 742	5 80 07 174	

2.11 Non Current Assets

Description of Assets	Gross Block at Cost			Depreciation		Net Book			
	As at April 01, 2011	Additions during the year	Deletions/Adjustment during the year	As at March 31, 2012	For the year	Up to March 31, 2011	Up to March 31, 2012	As at March 31, 2012	As at March 31, 2011
Accounting Software	1 28 896	10 000	-	1 38 896	7 548	1 15 682	1 23 230	15 666	13 214
Total :	1 28 896	10 000	-	1 38 896	7 548	1 15 682	1 23 230	15 666	13 214
Previous Year	1 16 396	12 500	-	1 28 896	9 672	1 06 010	1 15 682	13 214	

2.12 Long term loans and advances

(Unsecured, considered good unless otherwise stated)

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Capital Advances	1 00 000	0
Security Deposits	3 52 646	3 50 646
Total :	4 52 646	3 50 646

Amount receivable from related parties, directors and officers Rs. NIL (P.Y. Rs. NIL).

2.13 Inventories

(As taken, valued and certified by the Management)

[Amount in Rs.]

Particulars	As at	As at
	31st March, 2012	31st March, 2011
Raw Materials	65 77 051	47 66 628
Stock in Progress	34 86 639	59 46 547
Finished Goods	15 89 936	9 18 601
Stock-in-Trade	38 63 786	49 36 023
Packing Materials	3 09 216	2 06 455
Consumable Stores	1 17 183	1 39 490
	1 59 43 811	1 69 13 744

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

Breakup of Inventories

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
Raw Material		
Acetic Acid	19 66 602	5 68 736
Chlorine	4 56 860	10 67 263
Others	41 53 589	31 30 629
	<u>65 77 051</u>	<u>47 66 628</u>
Stock in Process		
Mono Chlorine Acetic Acid	34 86 639	59 46 547
Finished goods		
Mono Chlorine Acetic Acid	12 82 453	0
Sodium Mono Chloride Acetic Acid	1 29 572	6 17 482
EDTA Tetra Sodium	75 860	0
Hydro chlorine Acid	225	772
Mother Liquor of MCA	1 01 826	3 00 347
	<u>15 89 936</u>	<u>9 18 601</u>
Stock-in-Trade		
Ethyle Acetate	13 17 109	3 00 828
Acetic Acid	2 23 289	8 15 603
Others	23 23 388	38 19 592
	<u>38 63 786</u>	<u>49 36 023</u>

2.14 Trade Receivable

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
Debts outstanding for the period exceeding six months		
Considered Doubtful	0	2 31 000
Unsecured, Considered good	54 13 147	64 69 884
	<u>54 13 147</u>	<u>67 00 884</u>
Less : Provision for Doubtful Debts	0	2 31 000
	<u>54 13 147</u>	<u>64 69 884</u>
Others		
Unsecured, Considered good	11 23 99 637	9 20 20 526
	<u>11 78 12 784</u>	<u>9 84 90 410</u>

The amount dues by :

Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is partner or director or a member.	NIL	NIL

2.15 Cash and Cash Equivalents

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
Balances with scheduled banks		
Current / Cash Credit accounts	9 30 398	28 37 400
Fixed Deposits		
With maturity of less than 3 months	48 19 171	39 55 667
Cheques on hand	1 73 25 000	0
Cash in hand	1 76 084	6 89 585
Other Bank balances		
With maturity for more than 3 months but less than 12 month	14 009	12 500
With maturity for more than 12 month	11 36 712	9 59 496
	<u>11 50 721</u>	<u>9 71 996</u>
Total :	<u>2 44 01 374</u>	<u>84 54 648</u>

Note

The Fixed Deposits with a maturity of less than 3 months includes Rs.9,18,600/- (P.Y. Rs.8,00,000) deposit placed as a margin money.

2.16 Short-term loans and advances

(Considered good unless otherwise stated)

Particulars	[Amount in Rs.]	
	As at 31st March, 2012	As at 31st March, 2011
Advances to Employees	4 24 413	4 37 877
Others		
Balances with revenue authorities	20 77 704	55 49 742
Prepaid Expenses	5 68 029	9 46 130
Other Recoverable	23 40 892	52 64 500
	<u>49 86 625</u>	<u>1 17 60 372</u>
Total :	<u>54 11 038</u>	<u>1 21 98 249</u>

The amount dues by :

Directors	NIL	NIL
Officers either severally or jointly with other persons	NIL	NIL
Firms or private companies in which any director is	NIL	NIL

2.17 Revenue from operations

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Sale of Products		
Manufactured Goods	22 98 58 928	21 88 37 256
Stock-in-Trade	24 40 25 691	21 32 24 800
Other Operating Revenue		
Export Incentives	0	51 90 957
	47 38 84 619	43 72 53 013

Breakup of sales of product

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Manufactured		
Sodium monochloride	6 65 38 794	5 59 17 118
Mono Chlorine Acetic Acid	14 62 45 731	14 41 42 816
EDTA Tetra - Sodium	15 88 000	8 84 600
Hydro Chlorine Acid	11 95 998	36 76 321
Others	47 56 715	57 55 144
	22 03 25 238	21 03 75 999
Stock - in - Trade		
Ethyle Acetate	10 41 60 211	6 41 84 207
Acetic Acid	71 25 056	15 49 212
Others	13 27 40 424	14 74 91 381
	24 40 25 691	21 32 24 800

2.18 Other Income

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Interest Income		
From Banks	5 50 888	2 80 337
From Others	12 32 919	58 117
	17 83 807	3 38 454
Profit on disposal/retirement of fixed assets	52 53 610	17 172
Rentals/Compensation of Properties	72 500	2 10 000

Lifting Charges of Chlorine	48 53 576	0
Other Non-Operating Income		
<i>Balance written back</i>		
Sundry Parties	4 94 184	0
Income Tax	4 05 796	0
	<u>8 99 980</u>	<u>0</u>
Commission	6 42 030	4 92 160
Insurance Claim	16 320	3 87 600
Miscellaneous	26 177	1 00 329
	<u>6 84 527</u>	<u>9 80 089</u>
	<u>1 35 48 000</u>	<u>15 45 715</u>

2.19 Cost of Material Consumed

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Raw Materials	14 35 51 620	14 42 54 742
Freight Charges, Inward Clearing and Commission	1 35 91 173	1 19 71 393
	<u>15 71 42 793</u>	<u>15 62 26 135</u>

Breakup of Raw Materials Consumed

[Amount in Rs.]

Particulars	Amount	
	2011-2012	2010-2011
Acetic Acid	2 62 87 687	2 87 67 276
Chlorine	1 03 09 566	2 65 63 068
Others	10 69 54 367	8 89 24 398
	<u>14 35 51 620</u>	<u>14 42 54 742</u>

2.20 Purchase of Stock-in-Trade

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Purchase of stock-in-trade	22 77 40 990	19 97 46 725
	<u>22 77 40 990</u>	<u>19 97 46 725</u>

2.21 Changes in Inventories

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Closing Stock		
Finished Goods	15 89 936	9 18 601
Stock in Progress	34 86 639	59 46 547
Stock-in-Trade	38 63 786	49 36 022

	89 40 361	1 18 01 170
Opening Stock		
Finished Goods	9 18 601	37 15 200
Stock in Progress	59 46 547	19 26 606
Stock-in-Trade	49 36 022	1 19 700
	1 18 01 170	57 61 506
Decrease / (Increase) in Inventories	28 60 809	(60 39 664)

2.22 Employees Benefits Expenses

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Salary, Wages and Bonus	85 34 419	81 21 839
Contribution to Provident and other funds	6 84 676	3 20 473
Staff Welfare and Training Expense	13 11 451	2 52 461
	1 05 30 546	86 94 773

2.23 Finance Cost

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Interest on:		
Rupee Term loans	12 68 831	17 90 077
Other Interests	1 31 22 380	95 53 778
	1 43 91 211	1 13 43 855
Other Borrowing Cost		
Other ancillary Cost	11 17 745	6 69 665
LC Charges	9 14 549	6 43 518
	20 32 294	13 13 183
Adjustments on account of foreign exchange fluctuation	80 092	(23 18 279)
	1 65 03 597	1 03 38 759

2.24 Manufacturing and other Expenses

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Manufacturing Expenses		
Stores & Other Consumables	39 95 243	61 19 392
Power Fuel & Water Charges	64 84 634	64 26 470
Repairs and Maintenance:		
Plant, Machinery and Other Equipments	12 61 857	12 10 765
Buildings	22 52 858	16 87 381
	<u>35 14 715</u>	<u>28 98 146</u>
Laboratory Expenses	1 22 868	1 20 855
Job Work Charges	81 225	2 500
Pollution Plant Treatment	15 600	15 600
Excise duty on Finished Goods (Net)	89 118	(94 129)
	<u>1 43 03 403</u>	<u>1 54 88 834</u>
Establishment Expenses		
Professional Fees	14 56 710	17 15 173
Insurance Charges	11 34 656	8 24 140
Travelling Expenses	17 86 727	12 70 144
Rent, Rates & Taxes	28 91 474	16 98 754
Other Repairs	1 73 021	1 82 393
Auditor's Remuneration	1 50 000	1 50 000
Miscellaneous Expenditure	49 66 934	51 14 761
Provision for Doubtful debts	0	2 31 000
Donation	39 750	1 14 072
	<u>1 25 99 272</u>	<u>1 13 00 437</u>
Bad Debts	59 19 430	0
Less :Provision for Doubtful Debts no longer r	<u>2 31 000</u>	<u>0</u>
	<u>56 88 430</u>	<u>0</u>
Selling and Distribution Expenses		
Clearing and Forwarding Expenses on sales	1 01 48 345	1 57 27 072
Commission	12 89 276	14 82 954
Packing Material Consumed	52 04 944	62 59 478
Others	21 68 398	20 80 039
	<u>1 88 10 963</u>	<u>2 55 49 543</u>
Auditor, Remuneration is made of :	<u>5 14 02 068</u>	<u>5 23 38 814</u>
Statury Audit Fees	1 28 000	1 28 000
Tax Audit Fees	22 000	22 000
	<u>1 50 000</u>	<u>1 50 000</u>

SCHEDULE: '13' SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

These financial statements have been prepared on the accrual basis of accounting, under the historical cost convention, in accordance with the Companies Act, 1956, the applicable accounting standards notified by The Companies Accounting Standard Rules, 2006 and the Guidance note issued by the Institute of Chartered Accountants of India.

(b) Use of estimate

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

(c) Fixed Assets

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

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

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

(d) Borrowing Costs

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

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

(e) Depreciation

- (i) Depreciation on Fixed Assets is provided on Straight Line Method at rates and in the manner specified in Schedule XIV of the Companies Act, 1956
- (ii) Depreciation on additions/deletion is provided on pro rata basis.
- (iii) Lease hold land is amortised over the period of lease.
- (iv) Intangible assets being Computer and Laboratory Software are amortized over a period of its useful life i.e. three years estimated by the Management

(f) Inventories

- (i) Stock in trade comprising of raw materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks. Value of raw material does not include excise duty, countervailing duty paid to the extent of which CENVAT credit is available. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
- (ii) Work-in-process is valued at cost to the extent of stage of completion.
- (iii) Stores, spares, consumable and packing materials are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

(g) Revenue Recognition

- (i) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.
- (ii) Export Sales are recognised on the date of dispatch of products from the factory and shown on C.I.F. basis.
- (iii) Revenue from services is recognised upon rendition of the services.
- (iv) Export Incentives are accounted for on accrual basis.

(h) Foreign Currency Transactions

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

(i) Retirement Benefits

- (i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
- (ii) Gratuity liabilities is accounted for on the basis of actuarial valuation.

(j) Excise/Custom Duty

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

(k) Taxation

- (i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
- (ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(l) Provisions, Contingent Liabilities and Contingent Assets

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

2. NOTES FORMING PARTS OF ACCOUNTS

2.25 Contingent Liabilities and Capital commitments

[Rs. in lacs]

Particulars	As at 31st March, 2012	As at 31st March, 2011
Contingent Liabilities (See Note 2.26 below)		
Claims not acknowledged by as debt	213.39	187.66
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	NIL	NIL
Other commitments	NIL	NIL

2.26

- (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 the loss on such contracts to the tune of Rs. 259.83 lacs and against the same the sum of Rs. 55.07 lacs have already been paid. 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 and as in the opinion of the management the aforesaid liability is of contingent nature. the company has not provided for the balance loss of Rs. 142.45 lacs and interest amounting to Rs. 62.31 lacs aggregating to Rs. 204.76 lacs.

Further the company has placed fixed deposit amounting to Rs. 23.30 lacs including interest amounting to Rs. 1.87 lacs accrued thereon till year end with HDFC bank limited. However the bank has not given any confirmation in respect thereof in view of above referred dues to bank on account of concluded derivative contract. Although the settlement of Fixed Deposit is pending against the aforesaid dues, the company is of the opinion that the dues on account of derivative contract is restricted to Rs. 181.46 only if at all the liability gets crystallized.

- (b) The Company has received Sales Tax Assessment orders for the financial year 2006-2007 assessing the Central Sales Tax amounting to Rs. 10.10 lacs and Gujarat Value added Tax amounting to Rs. 7.46 lacs aggregating to Rs. 17.56 lacs payable by the company. The company has recognized principle dues amounting to Rs. 8.92 lacs as statutory dues payable and paid Rs. 6.00 lacs against such demand. However the company has not provided interest amounting to Rs. 6.86 lacs and penalty amounting to Rs. 1.78 lacs aggregating to Rs. 8.64 as the company has preferred an appeal before Joint Commissioner of Commercial Tax (Appeal),hence considered as contingent liability.

2.27 Employee Benefits

- (a) Defined contribution to Provident fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 1,79,360/- (P.Y. Rs. 1,57,682/-) as expense towards contributions to these plans.

(b) Defined Contribution Benefit Plans (Gratuity)

The following table sets out the status of the gratuity scheme non funded plan as at 31st March, 2012.

[Amount in Rs.]

Particulars	2011-2012	2010-2011
Changes in the present value of obligation		
Present value of obligation (Opening)	5,63,513	4,57,365
Interest cost	47,899	36,818
Past service cost	NIL	NIL
Current service cost	1,35,243	94,858
Curtailement Cost / (Gain)	NIL	NIL
Settlement Cost / (Gain)	NIL	NIL
Benefits paid	NIL	NIL
Actuarial (Gain) / Loss	3,16,507	(25,528)
Present value of obligation (Closing)	10,63,162	5,63,513
Changes in the fair value of plan assets	NIL	NIL
Percentage of each category of plan assets to total fair value of plan assets at the year end	NIL	NIL
Reconciliation of the present value of defined benefit obligation and the fair value of assets	NIL	NIL
Amount recognized in the balance sheet		
Present value of obligation as at the year end	10,63,162	5,63,513
Fair value of plan assets as at the year end	NIL	NIL
(Asset) / Liability recognized in the balance sheet	10,63,162	5,63,513
Expenses recognized in the profit & loss account		
Current service cost	1,35,243	94,858
Past service cost	NIL	NIL
Interest cost	47,899	36,818
Expected return on plan assets	NIL	NIL
Curtailement Cost / (Credit)	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL
Net Actuarial (Gain) / Loss	3,16,507	(25,528)
Employee's Contribution	NIL	NIL
Total expenses recognized in the profit and loss A/c.	4,99,649	1,06,148

Particulars	2011-2012	2010-2011
Principal actuarial assumption		
(Rate of Discounting)		
Rate of discounting	8.05%	8.05%
Expected return on plan assets	NIL	NIL
Rate of increase in salaries	6.00%	6.00%
Attrition Rate (Employees opting for early retirement)	2.00%	--

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

2.28.

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

2.29

Related Party Disclosures

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

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

Sr. No.	Name of related party	Relationship
1	Krishna Orgochem	Enterprise over which key management personnel exercise significant influence by controlling interest
2	Archit Polymers Pvt. Ltd.	
3	Kandarp K. Amin	Key Management Personnel
4	Archana K. Amin	
5	Archit K. Amin	Relative of Key Management Personnel
6	Shimoli A. Amin	Relative of Key Management Personnel

(b) Transactions with related parties

		[Amount in Rs.]	
Sr.No.	Nature of transaction	2011-2012	2010-2011
(i)	Managerial Remuneration		
	Key Management personnel	21,00,000	13,20,000
	Relative of Key management		
	Personnel	11,40,000	4,74,000
(ii)	Purchase / Sales of materials		
	Purchase		
	Enterprise over which key		
	management personnel exercise		
	significant influence by		
	controlling interest	--	24,23,145
(iii)	Interest Expenses		
	Enterprise over which key		
	management personnel exercise		
	significant influence	1,07,290	12,80,620
(iv)	Rendering or Receiving of services		
	Key Management personnel	16,20,000	16,20,000
(v)	Long term Borrowings as		
	unsecured loan		
	(Taken During the year)		
-	Enterprise over which key		
	management personnel exercise		
	significant influence by		
	controlling interest	85,00,000	--
	Key Management Personnel	1,00,15,000	1,11,95,000
(vi)	Long term Borrowings as		
	unsecured loan		
	(Reapid During the year)		
	Key Management Personnel	5,15,000	47,80,000
(vii)	Short Term Borrowings as		
	unsecured loan		
	(Taken During the year)		
	Enterprise over which key		
	management personnel exercise		
	significant influence by		
	controlling interest	86,06,590	3,70,40,993

(b) Transactions with related parties

		[Amount in Rs.]	
Sr.No.	Nature of transaction	2011-2012	2010-2011
	Key Management Personnel	1,60,000	--
(viii)	Short Term Borrowings as unsecured loan (Repaid During the year) Enterprise over which key management personnel exercise significant influence by controlling interest	1,09,80,497	3,36,86,074
	Key Management Personnel Interest accrued but due on short term borrowings	64,15,000 81,012	-- 10,74,919

2.30 Particulars of Earning per Share:

Particulars	2011-2012	2010-2011
Profit/(Loss) after tax and prior period items (Rs.)	67,18,162	31,43,063
Weighted average Number of equity shares	30,50,000	30,50,000
Nominal value of the share (Rs.)	10	10
Basic and diluted earning per share (Rs.)	2.20	1.03

There is no change in the number of equity shares during the period.

2.31

Pursuant to Accounting Standard-29, Provisions, Contingent Liabilities and Contingent Assets, the disclosure relating to provisions made in the accounts for the year ended 31st March, 2011 is as follows :

Provisions

		[Amount in Rs.]
Particulars	Provision for Excise duty and other Expenses	
Opening Balance	4,65,195	
Additions	15,32,674	
Payments	3,79,415	
Reversals	85,780	
Closing Balance	15,32,674	

2.32 Change in name and Object Clause

During the year, the company has applied for change in name from Shri Chlochem Limited to Archit Organosys Limited. Subsequent to year end, on receipt of fresh certificate of incorporation consequent upon change of name date 19th may, 2012, the name of the company is changed to Archit Organosys Limited.

2.33 Balances of unsecured loans, sundry creditors, sundry debtors, loans and advances and amounts due to sundry debtors are subject to confirmations and reconciliation if any, by the respective parties.

2.34 In the opinion of the Board of Directors, Current Assets, Loans and Advances have a value on realisation in the ordinary course of business equal to the amount at which they are stated in the Balance Sheet. Provision for all known liabilities has been made and is not in excess of amount reasonably necessary.

2.35 Additional information, to the extent applicable, required under para 5(8) of part-II of Schedule VI to the Companies Act, 1956.

(A) Composition of Raw Materials Consumption:

Raw Material consumption	Value	Percentage	Value	Percentage
	(Rs.)	(%)	(Rs.)	(%)
Imported	6,31,58,793	44.00	4,81,59,942	33.39
Indigenous	8,03,92,827	56.00	9,60,94,800	66.61
Total :	14,35,51,620	100.00	14,42,54,742	100.00

(B) Value of Imports on CIF Basis:

[Rs. in lacs]

Particulars	2011-2012	2010-2011
Raw Materials	644.13	498.10
Traded Goods	NIL	NIL

(C) Earning in Foreign Currency:

[Rs. in lacs]

Particulars	2011-2012	2010-2011
F.O.B. Value of Export	1280.71	1326.90

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

[Rs. in lacs]

Particulars	2011-2012	2010-2011
Traveling	11.73	4.14
Commission	10.72	9.96
Total :	22.45	14.10

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

For G. K. Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

FOR AND ON BEHALF OF THE BOARD

SANDIP PARIKH
Manager

KANDARP K. AMIN
Chairman &
Whole time Director

ARCHNA .K. AMIN
Director

Place: Ahmedabad
Date:29th May, 2012

Place: Ahmedabad
Date:29th May, 2012

ARCHIT ORGANOSYS LIMITED.
 (Formerly known as SHRI CHLOCHEM LIMITED)
 Registered Office: Plot No. 25/9/A, Phase III, G.I.D.C.
 Naroda, Ahmedabad - 382 330

ATTENDANCE SLIP

Member's Folio Number/ DP ID & Client ID No.	Name of the Member (IN BLOCK LETTERS)	No. of Shares Held

E-mail :

(Please complete this Attendance Slip and hand it over at the entrance of the meeting hall)

I hereby record my presence at the Annual General Meeting of the Company to be held at Registered Office of the Company at Plot No. 25/9/A, Phase III, G.I.D.C., Naroda, Ahmedabad on Monday, 17th September, 2012 at 10.30 a.m.

Name of the proxy*
 (IN BLOCK LETTERS)
 (*To be filled in case the proxy attends instead of the Member)

Signature of the shareholder / Proxy
 (To be signed at the time of handing over this slip)



ARCHIT ORGANOSYS LIMITED.
 (Formerly known as SHRI CHLOCHEM LIMITED)
 Registered Office: Plot No. 25/9/A, Phase III, G.I.D.C.
 Naroda, Ahmedabad - 382 330

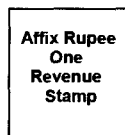
PROXY FORM

I/Weof.....in the District ofbeing a member(s) of SHRI CHLOCHEM LIMITED, hereby appoint Mr.of.....in the district of.....or falling him/her Mr.ofin the district ofas my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the company to be held at Registered Office of the Company at Plot No. 25/9/A, Phase III, G.I.D.C., Naroda, Ahmedabad on Monday, 17th September, 2012 at 10.30 a.m. and at any adjournment thereof.

As Witness my / our hand(s) this.....day of2012

Folio No. / DP ID & Client ID No.

No. of Shares Held.....



Signature

Note: The proxy form (dully filled up and signed) must be deposited at the registered office of the company, not less than 48 hours before the time for holding of the aforesaid meeting and the proxy need not be a member of the company.

BOOK-POST

if undelivered, please return to
ARCHIT ORGANOSYS LIMITED
(Formerly known as SHRI CHLOCHEM LIMITED)
Plot No. 25/9/A
Phase-III, G.I.D.C.,
Naroda, Ahmedabad 382 330.