

Date: 28<sup>th</sup> May, 2019

1) The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G BandraKurla Complex, Bandra (East), Mumbai-400051 Scrip Code - ARCHIES	2) The Listing Department, Corporate Relationship Department, BSE Limited, 1st Floor, New Trading Wing, P.J. Towers, Dalal Street Fort, Mumbai- 400001 Scrip Code - 532212
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**SUB: Outcome of Board Meeting held on 28<sup>th</sup> May 2019.**

Meeting started at 12:15 P.M. and concluded at.....2:00 P.M.

Dear Sir/Madam,

With the reference to the above subject, this is to inform you that the Meeting of Board of Directors of Archies Limited ("Company") held today, May 28, 2019 has considered and/approved and taken inter-alia, the following decisions:-

1. Pursuant to Regulation 30 & 33 of SEBI(Listing Obligation and Disclosure Requirements) Regulation,2015 we enclosed the followings:-
  - (a) Statement showing the Audited financial results for the quarter/year ended March 31,2019.
  - (b) Auditors Report on Audited financial results.
  - (c) Declaration in respect of unmodified opinion(s) expressed by the Auditor for the Audited financial results of the Company for the quarter/year ended March 31,2019.
2. Re-appointment of Mr. Anil Moolchandani as the Chairman and Non - Executive Director of the Company for a period of 2 years.
3. Re-appointment of Mr. Jagdish Moolchandani as the Director of the Company for a period of 2 years.
4. Re-appointment of Mr. Dilip Seth as the Director (Finance) and CFO of the Company for a period of 2 years.
5. Re-appointment of Mr. Sunil Behl, as Independent Director of the Company for a period of 5 years.
6. Re-appointment of Mr. Arun Singhal, as Independent Director of the Company for a period of 5 years.



**ARCHIES LIMITED**

C-113, NARAINA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110028 (INDIA), CIN : L36999HR1990PLC041175  
TEL.: 91-11-41410000, 41412222, Fax: 91-11-41410060, Email : archies@archiesonline.com, Website : www.archiesonline.com  
REGISTERED OFFICE : PLOT NO. 491- F SECTOR-4, I.M.T. MANESAR, GURUGRAM -122050, HARYANA (INDIA)

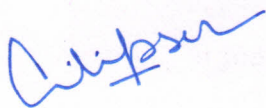
7. Resignation of Mr. Gautam as the Company Secretary of the Company with immediate effect.
8. Appointment of Mr. Varun Moolchandani as the Executive Director of the Company for a period of 2 years. (Brief Profile attached as Annexure –I.)
9. Approval of the Board of Directors to borrow monies as per provision of section 179 of the Companies Act 2013 from Mr. Anil Moolchandani upto Rs.10 Crores, Mr. Varun Moolchandani – upto Rs. 4 crore and Mr. Jagdish Moolchandani – upto Rs. 4 crore.

This is for your information and records.

Thanking You

Yours faithfully,

For **ARCHIES LIMITED**



**Dilip Seth**

(Director Finance & CFO)

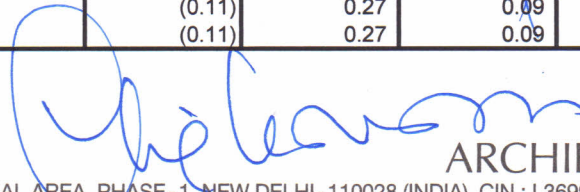




**ARCHIES LIMITED**
**Statement of Audited financial results for the Quarter and Year ended 31 March 2019**

(₹ in Lakhs)

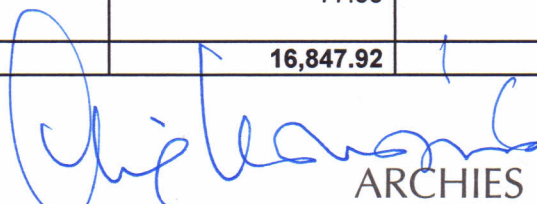
S.No.	PARTICULARS	Quarter Ended			Year Ended	
		31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
		Audited	Unaudited	Audited	Audited	Audited
	<b>Income:</b>					
	a. Income from Operations	3963.35	4325.93	4224.04	15874.85	15644.28
	b. Other Operating Income	80.18	84.42	49.87	261.59	137.79
I	<b>Revenue from operations</b>	<b>4043.53</b>	<b>4410.35</b>	<b>4273.91</b>	<b>16136.44</b>	<b>15782.07</b>
II	Other Income	63.83	45.52	74.79	183.84	202.16
III	<b>Total Income (I + II)</b>	<b>4107.36</b>	<b>4455.87</b>	<b>4348.70</b>	<b>16320.28</b>	<b>15984.23</b>
IV	<b>Expenses</b>					
	a. Cost of Materials Consumed	384.81	282.03	199.14	1100.31	872.83
	b. Purchase of Stock-in-Trade	621.54	1737.93	1062.10	5098.92	4582.88
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	422.71	(365.83)	277.49	(334.37)	285.62
	d. Employee benefits expense	853.64	823.10	728.19	3187.89	3141.23
	e. Finance costs	64.84	84.35	56.52	269.79	282.35
	f. Depreciation and amortisation expense	92.16	89.61	102.81	357.56	402.96
	g. Rent	617.18	606.54	607.79	2412.88	2535.50
	h. Other expenses	1133.92	1054.54	1213.42	4154.63	4168.65
	<b>Total Expenses</b>	<b>4190.80</b>	<b>4312.27</b>	<b>4247.46</b>	<b>16247.61</b>	<b>16272.02</b>
V	<b>Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)</b>	<b>(83.44)</b>	<b>143.60</b>	<b>101.24</b>	<b>72.67</b>	<b>(287.79)</b>
VI	Exceptional Items	0.00	0.00	0.00	0.00	0.00
VII	<b>Profit / (Loss) before extraordinary items and tax (V - VI)</b>	<b>(83.44)</b>	<b>143.60</b>	<b>101.24</b>	<b>72.67</b>	<b>(287.79)</b>
VIII	Extraordinary Items	0.00	0.00	0.00	0.00	0.00
IX	<b>Profit / (Loss) before tax (VII - VIII)</b>	<b>(83.44)</b>	<b>143.60</b>	<b>101.24</b>	<b>72.67</b>	<b>(287.79)</b>
X	Tax expense:					
	a. Current tax	14.96	0.00	0.00	14.96	0.00
	b. Deferred tax	(48.81)	52.38	70.67	0.06	(50.83)
	c. MAT Credit Entitlement	(14.96)	0.00	0.00	(14.96)	0.00
	d. (Excess)/ Short Provision for taxes for earlier years	0.00	0.00	0.00	0.00	0.00
XI	<b>Profit / (Loss) for the period (IX - X)</b>	<b>(34.63)</b>	<b>91.22</b>	<b>30.57</b>	<b>72.61</b>	<b>(236.96)</b>
XII	Other Comprehensive Income					
	<b>A. Item that will not be reclassified subsequently to profit</b>					
	Remeasurements Gains / (Losses) of defined benefit plans	(39.43)	0.67	9.89	(36.75)	9.45
	Income tax on above	10.97	(0.19)	(2.48)	10.22	(2.63)
	Changes in revaluation surplus	0.00	0.00	0.00	0.00	1488.38
	Income tax on above	0.00	0.00	(1.71)	0.00	(177.28)
	<b>B. Items that will be reclassified subsequently to profit or loss</b>					
	Income tax relating to items that will be reclassified subsequently to profit or loss	0.00	0.00	0.00	0.00	0.00
	Total of Other Comprehensive income	<b>(28.46)</b>	<b>0.48</b>	<b>5.70</b>	<b>(26.53)</b>	<b>1317.92</b>
XIII	<b>Total Comprehensive income for the period (XI+XII)</b>	<b>(63.09)</b>	<b>91.70</b>	<b>36.27</b>	<b>46.08</b>	<b>1080.96</b>
XIV	<b>Paid up Equity Capital (Face Value of Rs. 2/- each)</b>	<b>675.62</b>	<b>675.62</b>	<b>675.62</b>	<b>675.62</b>	<b>675.62</b>
XV	<b>Reserves excluding revaluation reserves</b>	-	-	-	-	-
XVI	<b>Earning Per Share (EPS) in Rs. (Not Annualised)</b>					
	a. Basic	(0.11)	0.27	0.09	0.21	(0.70)
	b. Diluted	(0.11)	0.27	0.09	0.21	(0.70)



**ARCHIES LIMITED**

## STATEMENT OF ASSETS AND LIABILITIES

(₹ in Lakhs)

	As at 31 March 2019	As at 31 March 2018
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	7,521.78	7,553.72
Capital work-in-progress	32.67	9.75
Financial Assets		
Other Financial Assets	842.13	748.45
Other Non Current Assets	246.00	192.85
Current Income Tax (net)	87.75	90.13
<b>Current Assets</b>		
Inventories	5,085.85	5,177.57
Financial Assets		
(a) Trade Receivables	1,910.22	2,199.17
(b) Cash and Cash Equivalents	164.14	78.41
(c) Bank balances other than above	55.09	42.98
(d) Other Financial Assets	574.60	67.12
Other Current Assets	327.69	419.62
<b>Total Assets</b>	<b>16,847.92</b>	<b>16,579.77</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	675.62	675.62
Other Equity	11,125.24	11,079.16
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Financial Liabilities		
(a) Borrowings	0.00	0.00
(b) Other Financial Liabilities	89.60	87.72
Deferred Tax Liabilities (Net)	230.07	240.23
Provisions	54.93	37.51
Other Non-Current Liabilities	35.93	60.36
<b>Current Liabilities</b>		
Financial Liabilities		
(a) Borrowings	1,601.61	1,579.66
(b) Trade Payables	1,284.00	1,133.32
(c) Other Financial Liabilities	1,451.05	1,342.81
Other Current Liabilities	222.31	275.42
Provisions	77.56	67.96
<b>Total Equity and Liability</b>	<b>16,847.92</b>	<b>16,579.77</b>

**ARCHIES LIMITED**



**ARCHIES LIMITED**  
**Segment wise Revenue, Results and Capital Employed**

(₹ in Lakhs)

S.No.	Particulars	Quarter Ended			Year Ended	
		31/03/2019	31/12/2018	31/03/2018	31/03/2019	31/03/2018
		Audited	Unaudited	Audited	Audited	Audited
<b>1</b>	<b>Segment Revenue</b>					
a	Greeting Cards	662.89	640.72	753.91	2,406.49	2,742.43
b	Stationery	715.93	871.43	582.77	2,716.84	2,333.67
c	Gifts	2,488.06	2,739.55	2,857.92	10,489.83	10,434.92
d	Others	96.47	74.23	29.44	261.69	133.26
	<b>Total</b>	<b>3,963.35</b>	<b>4,325.93</b>	<b>4,224.04</b>	<b>15,874.85</b>	<b>15,644.28</b>
	<b>Less: Inter Segment Revenue</b>	-	-	-	-	-
	<b>Net Sales / Income from Operations</b>	<b>3,963.35</b>	<b>4,325.93</b>	<b>4,224.04</b>	<b>15,874.85</b>	<b>15,644.28</b>
<b>2</b>	<b>Segment Results</b>					
	Profit / (Loss) before tax and finance costs					
a	Greeting Cards	61.19	92.52	67.69	267.99	277.15
b	Stationery	105.72	128.64	88.38	401.32	268.35
c	Gifts	9.98	203.68	189.43	432.47	215.60
d	Others	0.13	5.38	3.24	20.60	10.23
	<b>Total</b>	<b>177.02</b>	<b>430.22</b>	<b>348.74</b>	<b>1,122.38</b>	<b>771.33</b>
	Less: i) Finance Costs	64.83	84.35	56.52	269.78	282.35
	ii) Other Un-allocable Expenditure net off Un-allocable Income	195.63	202.27	190.98	779.93	776.77
	<b>Total Profit Before Tax</b>	<b>(83.44)</b>	<b>143.60</b>	<b>101.24</b>	<b>72.67</b>	<b>(287.79)</b>
<b>3</b>	<b>Capital Employed</b>					
	<b>(Segment Asset - Segment Liabilities)</b>					
a	Segment Assets	16,847.92	17,421.64	16,579.77	16,847.92	16,579.77
b	Segment Liabilities	5,047.06	5,557.69	4,824.99	5,047.06	4,824.99
	<b>Capital Employed</b>	<b>11,800.86</b>	<b>11,863.95</b>	<b>11,754.78</b>	<b>11,800.86</b>	<b>11,754.78</b>
	<b>Total</b>	<b>11,800.86</b>	<b>11,863.95</b>	<b>11,754.78</b>	<b>11,800.86</b>	<b>11,754.78</b>

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 28 May 2019.
- These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rule, 2015 prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- Due to the nature of business and common manufacturing facilities for various segments, a reasonable allocation of Capital Employed to various segments is currently not practicable.
- The Statutory Auditors have carried a Limited Review of the above financial results.
- Effective from 1 April, 2018, the Company has adopted Ind AS 115 "revenue from contract with customer". The effect on adoption of Ind AS 115 was insignificant.
- Previous year's figures have been rearranged and regrouped, wherever necessary.

Date: 28 May, 2019  
Place: Gurugram



For and on behalf of the Board

  
Anil Moolchandani  
(Chairman and Managing Director)  
DIN-00022693

**ARCHIES LIMITED**

C-113, NARAINA INDUSTRIAL AREA, PHASE - 1, NEW DELHI - 110028 (INDIA), CIN : L36999HR1990PLC041175  
TEL.: 91-11-41410000, 41412222, Fax : 91-11-41410060, Email : archies@archiesonline.com, Website : www.archiesonline.com  
REGISTERED OFFICE : PLOT NO. 191-F, SECTOR-4, I.M.T. MANESAR, GURUGRAM - 122050, HARYANA (INDIA)



**INDEPENDENT AUDITORS' REPORT**

**To The Members of  
ARCHIES LIMITED**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the accompanying financial statements of **ARCHIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2019, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, the profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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





**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	Auditors' Response
<p><u>Recoverability of Insurance Claim Filed</u></p> <p>On 14 February, 2019, a fire occurred at the head office premise of the company causing damage to the Property, Plant and Equipment and Inventory as detailed in Note 36.</p> <p>Against the above loss, the company has filed the insurance claim of ₹ 926.67 Lakhs (Property, Plant and Equipment at replacement value and Inventory at cost) with the insurance company. The amount of ₹ 510.90 Lakhs, being complete loss has been shown as "Insurance Claim Receivable" in (Note 8(d)). The book value of repairable items is included respectively in Property, Plant and Equipment (Note 3) and Inventory (Note 7).</p> <p>Quantum of the recoverable amount of insurance claim is uncertain as the final assessment of the loss is under process by the insurance company.</p>	<p><u>Principal Audit Procedure</u></p> <p>We have carried out the checking of working of the management determining the written down value of those Property, Plant and Equipment and Inventory which have been damaged/ destroyed due to fire.</p>

**Management's Responsibilities for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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





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

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

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

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

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account and with the returns received from the branches not visited by us.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





# J.P., KAPUR & UBERAI

- (e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts except as stated below, required to be transferred, to the Investor Education and Protection Fund by the Company.

Due Date	Date of Demand Draft	Date of Deposit
5 December, 2018	30 November, 2018	17 December, 2018

For J. P., KAPUR & UBERAI  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 000593N)



H. S. Khurana  
PARTNER  
(M. No. 017779)

Place: Gurugram  
Date: 28 May, 2019



**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
  
(b) The fixed assets have been physically verified by the management during the year. There is a regular programme of verification, which, in our opinion, is reasonable, having regard to the size of the Company and nature of its fixed assets. No material discrepancies were noticed on such verification.  
  
(c) According to our examination of the books and records of the Company and the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory has been physically verified by the management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and book records were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the order is not applicable.
- iv. The Company has not entered into any transaction in respect of loans, investments, guarantees and security to which the provisions of Section 185 and 186 of the Act would apply.
- v. The Company has not accepted any deposits from the public to which the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder would apply.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Act in respect of the products of the Company.
- vii. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it, except in few cases where there is a delay in deposit. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were outstanding, as at 31 March, 2019 for a period of more than six months from the date they became payable.





## J.P., KAPUR & UBERAI

(b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute, except the following: -

Nature of the Statutory Dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Tax Deducted at Source	6.67	2010-11	Commissioner of Income Tax (Appeals)
Tax Deducted at Source	9.02	2011-12	Commissioner of Income Tax (Appeals)

- viii. The Company has not defaulted in the repayment of loans or borrowings to banks. The Company has neither taken any loans or borrowings from financial institutions or government nor issued any debentures during the year.
- ix. The Company has not taken any moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans. Accordingly, paragraph 3(ix) of the order is not applicable.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.
- xi. According to our examination of the books and records of the Company and the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi company.
- xiii. According to our examination of the books and records of the Company and the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details of such transactions have been disclosed in Note 31 to the Financial Statements as required by the applicable accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.





## J.P., KAPUR & UBERAI

- xv. According to our examination of the books and records of the Company and the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For J. P., KAPUR & UBERAI  
CHARTERED ACCOUNTANTS  
(Firm Registration No.000593N)

A handwritten signature in blue ink, appearing to read "H. S. Khurana".

Place: Gurugram  
Date: 28 May, 2019

H. S. Khurana  
PARTNER  
(M. No. 017779)



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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





**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Gurugram  
Date: 28 May, 2019



**For J. P., KAPUR & UBERAI**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No. 000593N)

A handwritten signature in blue ink, appearing to read "H. S. Khurana".

**H. S. Khurana**  
**PARTNER**  
(M. No. 017779)



**Subject: Declaration in respect of Audit Report with unmodified opinion for the financial year ended 31<sup>st</sup> March, 2019.**

Dear Sir,

In compliance with the Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular not CIR/CFD/CMD/56/2016 dated 27th May, 2016; we hereby declare that the Statutory Auditors of the Company, M/s. J.P.,Kapur&Uberai, Chartered Accountants, (FRN-000593N) have issued an Audit Report with unmodified opinion on Audited Financial Statement/ Results of the Company for the quarter/Financial year ended 31<sup>st</sup> March, 2019.

This is for your information and record.

Thanking you,

Yours faithfully,

For Archies Limited



Dilip Seth

(Director Finance & CFO)





Annexure - I

**Brief profile of Mr. Varun Moolchandani**

Mr. Varun Moolchandani, one of the Promoter of the Company is a Graduate from Delhi University with more than 20 Years of vast experience in the Management and maintenance of the Business across different categories of the Company, including the - Fragrance & Cosmetics, International Brand Tie-ups & New concepts for Business Growth, in today's market environment.

He is also involved in the Good Team Management, Leadership skills, Strategic Alliances in the International Business, P&L Development and execution of Company's business strategies & maintaining trust relationships with stakeholders, business partners and various authorities, for the all round growth of the Company.

