

Date: 04<sup>th</sup> September, 2019

1) The Manager, Listing Department, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051 Scrip Code – ARCHIES	2) The Listing Department Corporate Relationship Department BSE Limited 1 <sup>st</sup> Floor, New Trading Wing, P.J. Towers Dalal Street Fort, Mumbai-400001 Scrip Code – 532212
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**Sub: Notice of Annual General Meeting and Annual Report for 2018-19**

Dear Sir/Madam,

With reference to the above captioned subject and pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the 29<sup>th</sup> Annual General Meeting (29<sup>th</sup> AGM) of Archies Limited (“Company”) is scheduled to be held on Friday, September 27, 2019 at 11.00 A.M. at Manesar Club, Sector-5, IMT Manesar, Gurugram, Haryana -122050. The Notice for the said Annual General Meeting and Annual Report 2018-19 is enclosed herewith.

Further pursuant to the Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September 2019 to Friday 27<sup>th</sup> September 2019 (both days inclusive) for the purpose of 29<sup>th</sup> Annual General Meeting.



Further as per the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has provided the remote electronic voting (e-voting) facility to the members through electronic voting platform of Link Intime India Private Limited (LIPL). Members holding shares either in physical or in dematerialized form as on cut-off date i.e., Friday, 20<sup>th</sup> September, 2019 may cast their votes electronically through remote e-voting facility or through ballot paper at the AGM, on the businesses set out in the Notice of Annual General Meeting. The E-voting facility will commence from Tuesday, 9:00 A.M. on September 24, 2019 to Thursday, 05:00 P.M. on September 26, 2019.

You are kindly requested to take the same on records & acknowledgement.

Thanking you

Yours faithfully,

For ARCHIES LIMITED

  
  
Hitesh Kumar  
(Company Secretary)

Encl: As above

**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)

The image is a cover for an annual report. It features a background of a gift box wrapped in gold paper with a red ribbon. The gift is set against a soft-focus background of a red rose. The entire scene is overlaid with a grid of semi-transparent, colorful squares in shades of orange, yellow, green, and blue. The text is positioned in the upper left and center of the page.

**ANNUAL REPORT**  
**2018 - 2019**

This one is to Convey all  
the Emotions  
my Heart Feels for you

# Board of Director



**Mr. Anil Moolchandani**

Chairman and Executive Director

**Mr. Dilip Seth**

Director (Finance) and CFO

**Mr. Jagdish Moolchandani**

Executive Director

**Mr. Varun Moolchandani**

Executive Director

**Mr. Sunil Behl**

Independent Director

**Mr. Arun Singhal**

Independent Director

**Mrs. Payal Jain**

Independent Director

**Mr. Kanav Dev Sharma**

Independent Director

**Mr. Hitesh Kumar**

Company Secretary & Compliance Officer

**Auditors**

M/s J.P., Kapur & Uberai  
Chartered Accountants  
New Delhi

**Bankers**

Kotak Mahindra Bank Ltd.  
HDFC Bank Ltd.

**Registered Office**

191F, Sector-4, IMT Manesar,  
Gurugram-122050

**Corporate Office**

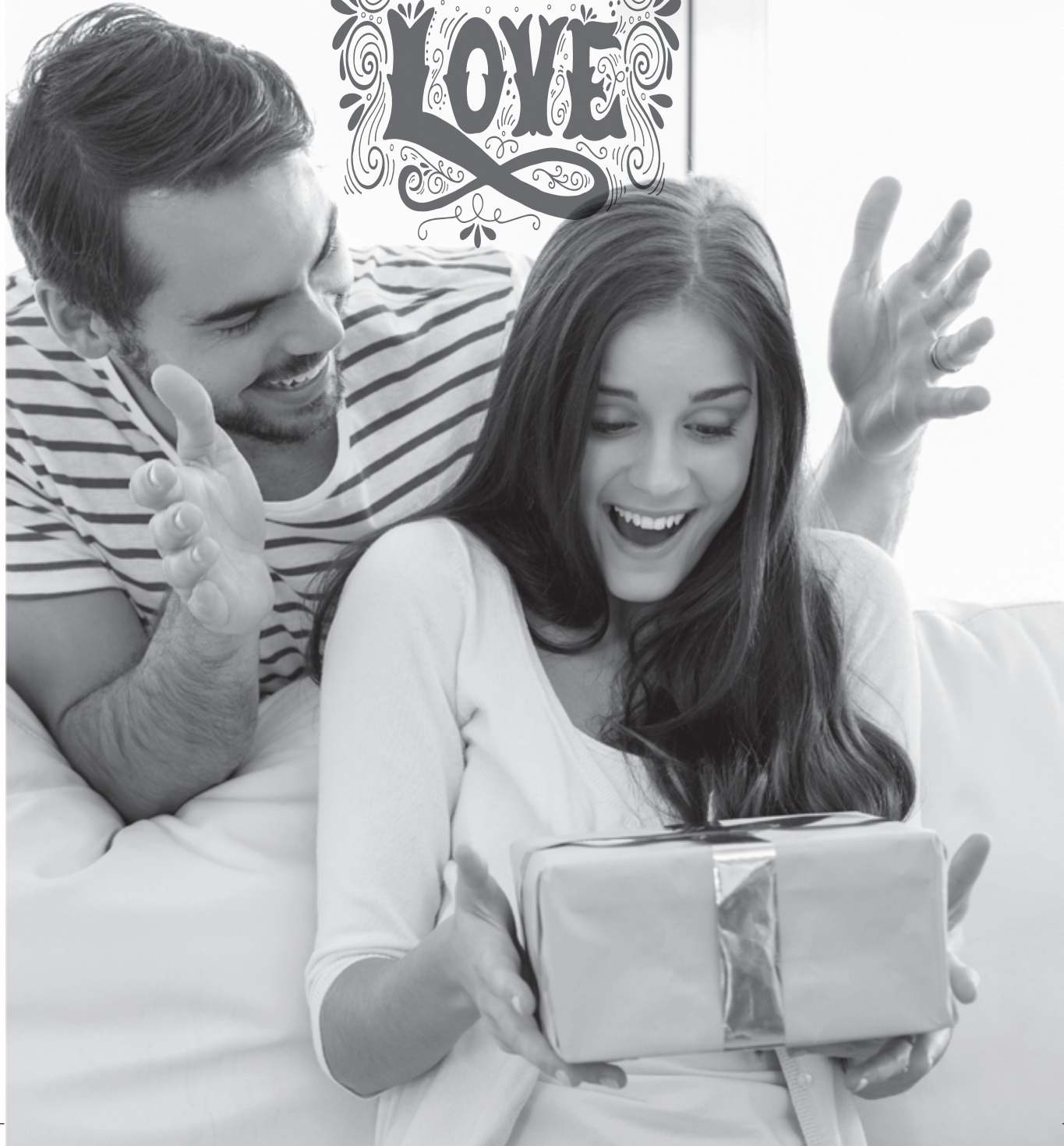
C-113, Naraina Industrial Area  
Phase-I, New Delhi-110028

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LET'S FALL  
IN  
LOVE





*You*  
MAKE ME  
SMILE

DO <sup>what you</sup>  
LOVE  
and  
Love  
WHAT YOU  
DO





START  
YOUR  
morning  
with a  
SMILE





Enjoy  
every  
moment



## FROM THE CHAIRMAN'S DESK

Dear Friends,

Carrying on from where we left off last year, the year that went by seemed almost identical to the previous year except that it threw some more challenges.

Though we succeeded in stemming the decline, in terms of gross turnover, the situation remained unchanged.

We continued to shut loss making stores wherever required and while their numbers were made up by way of new openings, all this came at a cost.

Mature stores cost money to close while new ones cost even more to open. And while this is an ongoing struggle in any retail operation, a breakout from the struggle can only be achieved when new store openings outstrip old store closings. However, in these fast changing market dynamics the decision to open new stores entail more risks than ever before.

In the midst of our daily struggles, disaster struck on what is normally the most joyous day of the year for your company, Feb 14th Valentine's Day.

As the day dawned we received information that there was a fire at our Corporate Office. As the minutes of the day progressed, we stood outside in the rain and watched helplessly as the fire brigade fought the battle. The day ended with all floors of our Corporate Office gutted and unusable.

A new immediate problem faced us, of getting the Corporate Office functioning as fast as possible. While, it did take us between 2 to 4 weeks, to get all functions up and running, work never stopped.

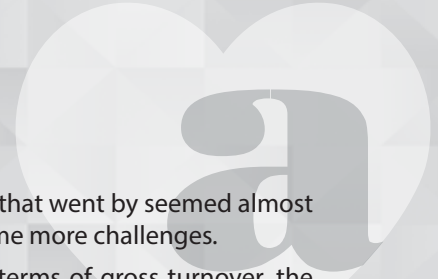
The domino effect of the global economy slowing down is hitting the Indian economy as well, with slowdowns being seen across sectors. Falling as we do, into the category of discretionary spending, we cannot remain immune from the same. In the first quarter of 2019-20 gone by, we have felt the heat from the slowdown and will need to remain alert so as not to get too badly affected.

Our mantra for the current year, remains consolidation of operations, closing any fringe stores that are not performing, while continuing to look for fresh areas of potential to open new stores, but very selectively.

Our endeavor to delight our customer with newer and newer offerings continues with a continuous flow covering a wide demographic. The first quarter alone saw the introduction of over a thousand new varieties of gifts and accessories never seen before in our stores. This helps us in better engaging customers and helps us help them express themselves, to their loved ones.

Yours Truly

Anil Moolchandani  
Chairman & Executive Director  
Archies Limited



## Year At A Glance

(₹ in Lakhs)

S. No.	Particulars	2018-2019	2017-2018	2016-2017
1.	Total Turnover	<b>16136.44</b>	15782.07	18626.10
2.	Other Income	<b>183.84</b>	202.16	212.10
3.	Total Expenditure	<b>15620.26</b>	15586.71	18718.01
4.	Profit before Depreciation, Interest and Tax (PBDIT)	<b>700.02</b>	397.52	120.19
5.	PBDIT as a % of Total Turnover	<b>4.34</b>	2.52	0.65
6.	Finance Costs	<b>269.79</b>	282.35	302.22
7.	Depreciation	<b>357.56</b>	402.96	380.99
8.	Profit/ (Loss) Before Tax (PBT)	<b>72.67</b>	(287.79)	(563.02)
9.	PBT as a % of Total Turnover	<b>0.45</b>	(1.82)	(3.02)
10.	Extraordinary Item	<b>0.00</b>	0.00	0.00
11.	Profit / (Loss) before tax after extraordinary item	<b>72.67</b>	(287.79)	(563.02)
12.	Provision for Taxation	<b>0.06</b>	(50.83)	(193.43)
13.	Profit / (Loss) after Tax (PAT)	<b>72.61</b>	(236.96)	(369.59)
14.	PAT as a % of Total Turnover	<b>0.45</b>	(1.50)	(1.98)
15.	Paid up Equity Share Capital	<b>675.62</b>	675.62	675.62
16.	Reserves(excluding revaluation reserves)	<b>9814.14</b>	9768.06	9995.15
17.	Net Worth	<b>10489.76</b>	10443.68	10670.77
18.	Earning Per Share of Face value ₹ 2 (in ₹)	<b>0.21</b>	(0.70)	(1.09)
19.	Book Value Per Share of Face value ₹ 2 (in ₹)	<b>31.05</b>	30.92	31.59
20.	Dividend (%)	<b>NIL</b>	NIL	NIL
21.	Amount of Dividend	<b>0.00</b>	0.00	0.00
22.	Return on Average Net Worth (%)	<b>0.69</b>	(2.24)	(3.41)
23.	Return on Average Capital Employed (%)	<b>2.81</b>	(0.05)	(2.29)

# ARCHIES LIMITED

CIN: L36999HR 1990PLC041175

Regd. Office : 191F, Sector - 4, IMT Manesar Gurugram, Haryana - 122050

Tel. No. +91 124 4966666 Fax No. : +91 124 4966650

Website : www.archiesonline.com / Email ID : archies@archiesonline.com

## NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of Archies Limited will be held on Friday, the 27th day of September, 2019 at 11:00 A.M at Manesar Club, Sector-5, IMT Manesar, Gurugram, Haryana-122050 to transact the following Business (es):

### ORDINARY BUSINESS (ES)

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Anil Moolchandani(DIN: 00022693) who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS (ES)

**TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTIONS, WHICH WILL PROPOSED AS SPECIAL RESOLUTIONS:**

#### **3. RE-APPOINTMENT OF MR. SUNIL BEHL AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE FURTHER PERIOD OF 5 YEARS WITH EFFECT FROM 23.09.2019**

**"RESOLVED THAT** on the recommendations of Nomination and Remuneration Committee, Audit Committee and Board of Directors and pursuant to the requirements of provisions of Section 149,150, 152, 160, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Sunil Behl be and is hereby re-appointed as a Director (Non- Executive & Independent), not liable to retire by rotation, with effect from 23.09.2019 and will hold office of Director, for 5 (Five) consecutive years from the date of appointment."

#### **4. RE-APPOINTMENT OF MR. ARUN SINGHAL AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THE FURTHER PERIOD OF 5 YEARS WITH EFFECT FROM 23.09.2019**

**"RESOLVED THAT** on the recommendations of Nomination and Remuneration Committee, Audit Committee and Board of Directors and pursuant to the requirements of provisions of Section 149,150, 152, 160, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company, Mr. Arun Singhal be and is hereby re-appointed as a Director (Non- Executive & Independent), not liable to retire by rotation, with effect from 23.09.2019 and will hold office of Director, for 5 (Five) consecutive years from the date of appointment."

#### **5. RE-APPOINTMENT OF MR. ANIL MOOLCHANDANI AS CHAIRMAN AND EXECUTIVE DIRECTOR OF THE COMPANY FOR THE PERIOD OF 2 (TWO) YEARS WITH EFFECT FROM 10.08.2019**

**"RESOLVED THAT** on the recommendation of the Nomination & Remuneration Committee, Audit Committee and Board of Directors and pursuant to the provision of sections 196, 197, 198, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or any other provisions or rules, and any amendments and modifications thereof Mr. Anil Moolchandani, be and is hereby re-appointed as Chairman and Executive Director of the Company (liable to retire by rotation) for a period of 2 (Two) years w.e.f 10.08.2019 on such remuneration of and terms & conditions as detailed below:

1. **Term :** 10th August 2019 to 9th August 2021.
2. **Nature of Duties:** Mr. Anil Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Salary & Perquisites:** NIL
4. **Minimum Remuneration:** The above remuneration shall also be paid as minimum remuneration to Mr. Anil Moolchandani in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

The appointment and other service terms will be subject to the relevant provision of the Companies Act, 2013 and as amended from time to time. All other terms and conditions of the existing appointment shall be governed by the agreement and Company rules and policies.

**“RESOLVED FURTHER THAT** the Draft Agreement, incorporating the terms of appointment and remuneration placed at the meeting and initiated by the Chairman thereof for the purposes of identification, be and is hereby approved and any Director or Company Secretary, be and are hereby severally authorized to sign the agreement on behalf of the Company.”

**“RESOLVED FURTHER THAT** any Director or Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things in this regard and to file the relevant forms, if any with the Ministry of Corporate Affairs (MCA), Registrar of Companies.”

#### **6. APPOINTMENT OF MR. VARUN MOOLCHANDANI AS EXECUTIVE DIRECTOR OF THE COMPANY FOR THE PERIOD OF 2 (TWO) YEARS WITH EFFECT FROM 25.06.2019**

**“RESOLVED THAT** on the recommendation of the Nomination and Remuneration Committee & Board of Directors and pursuant to the provision of sections 152, 161(1) 196,197, 198 and 203 read with the Companies (Appointment & Qualification of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Varun Moolchandani, a notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature for the office of Director, who was appointed as an Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a Director (Executive) of the Company, liable to retire by rotation, for a period of 2 (Two) consecutive years with effect from 25.06.2019 on such remuneration of and terms & conditions as detailed below:

1. **Term :** 25th June, 2019 to 24th June, 2021
2. **Nature of Duties :** Mr. Varun Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Basic Salary :** Rs.1,22,500/- per month with the authority to the Board of Directors to revise the basic salary from time to time taking into account of the performance of the Company subject however to the ceiling of Rs. 2,45,000/- per month.
4. **Perquisites :** In addition to the basic salary he will be entitled to other perquisites as per agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to provident fund, superannuation fund, gratuity, earned leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.
5. **Minimum Remuneration :** The above remuneration shall also be paid as minimum remuneration to Mr. Varun Moolchandani in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

The appointment and other service terms will be subject to the relevant provision of the Companies Act, 2013 and as amended from time to time. All other terms and conditions of the existing appointment shall be governed by the agreement and Company rules and policies.

**“RESOLVED FURTHER THAT** the Draft Agreement, incorporating the terms of appointment and remuneration placed at the meeting and initiated by the Chairman thereof for the purposes of identification, be and is hereby approved and any Director or Company Secretary of the Company be and are hereby severally authorized to sign the agreement on behalf of the Company.”

**“RESOLVED FURTHER THAT** any director, Company Secretary, be and are hereby severally authorized to do all such acts, deeds, matters and things in this regard and to file the relevant forms, if any with the Ministry of Corporate Affairs (MCA), Registrar of Companies.”

#### **7. RE-APPOINTMENT OF MR. DILIP SETH AS WHOLE TIME DIRECTOR (FINANCE) AND CHIEF FINANCIAL OFFICER (CFO) THE COMPANY FOR THE FURTHER PERIOD OF 2 (TWO) YEARS WITH EFFECT FROM 05.08.2019**

**“RESOLVED THAT** on the recommendation of Nomination and Remuneration Committee, Audit Committee and Board of Directors and pursuant to the provision of sections 196,197, 198, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 or any other provisions or rules, and any amendments and modifications thereof, Mr. Dilip Seth be and is hereby re-appointed as Whole Time Director (Director (Finance) & CFO) of the Company for a further period of 2 (Two) years w.e.f 05.08.2019 on such remuneration of and terms & conditions as detailed below:

1. **Term :** 5th August 2019 to 4th August 2021.
2. **Nature of Duties :** Mr. Dilip Seth shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Basic Salary :** Rs.1,50,000/- per month with the authority to the Board of Directors to revise the basic salary from time to time taking into account of the performance of the Company subject however to the ceiling of Rs. 2,32,000/- per month.

4. **Perquisites** : In addition to the basic salary he will be entitled to other perquisites as per agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to provident fund, superannuation fund, gratuity, earned leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.
5. **Minimum Remuneration** : The above remuneration shall also be paid as minimum remuneration to Mr. Dilip Seth in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

The appointment and other service terms will be subject to the relevant provision of the Companies Act, 2013 and as amended from time to time. All other terms and conditions of the existing appointment shall be governed by the agreement and Company rules and policies.

**"RESOLVED FURTHER THAT** the Draft Agreement, incorporating the terms of appointment and remuneration placed at the meeting and initiated by the Chairman thereof for the purposes of identification, be and is hereby approved and Mr. Anil Moolchandani, Chairman & Executive Director or Mr. Jagdish Moolchandani, Director of the Company be and are hereby severally authorized to sign the agreement on behalf of the Company."

**"RESOLVED FURTHER THAT** any Director or Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things in this regard and to file the relevant forms, if any with the Ministry of Corporate Affairs (MCA), Registrar of Companies."

#### **8. REGULARISATION OF MR. KANAV DEV SHARMA AS A DIRECTOR (NON-EXECUTIVE & INDEPENDENT) OF THE COMPANY**

**"RESOLVED THAT** on the recommendation of the Nomination and Remuneration Committee & Board of Directors and pursuant to the provision of Sections 149, 150, 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and Listing Obligations and Disclosure Requirements Regulations, 2015 and Articles of Association of the Company, Mr. Kanav Dev Sharma who has submitted a declaration stating that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Article of Association of the Company and a notice under Section 160 of the Companies Act, 2013 has been received from him proposing his candidature for the office of Director, who was appointed as an Additional Director by the Board of Directors, being eligible for appointment, be and is hereby appointed as a Director (Non-Executive & Independent) of the Company, not liable to retire by rotation, for a period of 5 (Five) consecutive years with effect from 10.08.2019."

**"RESOLVED FURTHER THAT** the Board of Directors and Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required necessary & expedient and to delegate all such documents, Instruments and writings as may be required necessary & expedient and to delegate all or any of the powers herein conferred to any Committee of Directors(s) to give effect to the aforesaid resolution."

**Place : New Delhi**

**Date: August 10, 2019**

**Regd. Office : 191F, Sector-4, IMT Manesar, Gurugram, Haryana-122050**

**Tel No: +91 124 4966666 Fax No: +91 124 4966650**

**Website :www.archiesonline.com / email id: archies@archiesonline.com**

**By order of the Board**

**Anil Moolchandani  
(Chairman & Executive Director)  
(DIN : 00022693)**

NOTES:-

1. THE Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS.
3. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND A CERTIFIED COPY OF THE BOARD RESOLUTION TO THE COMPANY, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.
4. The proxy, in order to be effective, must be deposited at the Corporate Office of the Company, C-113, Naraina Industrial Area, Phase-I, New Delhi-110028 or its Registrar and Share Transfer Agent M/s Link Intime India (Private) Limited, Noble Heights, 1st floor, Plot No NH-2, C-1 Block, LSC, Near Savitri Market, Janakpuri, New Delhi – 110058 not less than forty eight hours before the commencement of the meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangement in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2019 to 27th September, 2019 (both days inclusive) in connection with the AGM.
9. Members holding shares in physical form are advised to notify to the Registrar and Share Transfer Agent of the Company of any change in their addresses immediately.
10. Members holding shares in De-mat form are advised to notify to their respective Depository Participant of any changes in their addresses immediately.
11. Members who are yet to register their email addresses with the Company or with the Depository are once again requested to register the same. The form for registration of email addresses with the Company can be downloaded from the Company's website i.e www.archiesonline.com
12. Members/Proxies/Authorized Representative is requested to produce the attendance slip, duly completed and signed in accordance with the specimen signatures registered with the Company for admission to the meeting hall.
13. Mandatory updation of Bank details-SEBI has mandated that for making dividend payments, companies whose securities are listed shall use electronic clearing services. Companies/RTAs are required to seek relevant bank details of shareholders from Depositories/investors for making payment of dividends in electronic mode. It is also mandatory to print the bank details on the physical instrument if payment is made in physical mode. It is also mandatory to print the bank details on the physical instrument if the payment is made in physical mode. Accordingly, shareholders are requested to provide/update their bank details with the respective depository participants for the shares held in dematerialized form and with RTA in respect of shares held in physical form.
14. The SEBI has mandated the submission of the Permanent Account Number(PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent.  
Further Members may please note that Securities and Exchange Board of India (SEBI) has made Permanent Account Number (PAN) as the sole identification number of all participants transacting in the securities market, irrespective of the amount of such transactions.
15. Pursuant to the provision of Section 72 of the Companies Act, 2013, the members holding shares in physical form may nominate, in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the joint holders. Members holding shares in demat form may contact their respective Depository Participants for availing this facility.
16. Pursuant to the provision of Section 124 of the Companies Act, 2013, any dividend, which remains unpaid and unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund ("IEPF").  
Further in view of the provisions of Section 125 of the Companies Act, 2013, unclaimed/unpaid Dividend for the Financial Year 2011-12 shall be transferred to Investor Education and Protection Fund(IEPF). Members who have not yet encashed their dividend for the Financial Year ended 31 March, 2012 or any subsequent Financial Year(s), are requested to lodge their claims with the Company/RTA. Also the shares on which dividends remain unclaimed for seven consecutive years will be transferred to the IEPF as per Section 124 of the Act, and the applicable rules.

Members are advised that once the unclaimed dividend is transferred to the above fund, no claim shall lie from the company in respect thereof.

17. Members may also note that the Notice of 29th AGM and the Annual Report of the Company, circulated to the Members of the Company, will be made available on the Company's website [www.archiesonline.com](http://www.archiesonline.com).
18. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/ re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent/ declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
19. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.

## 20. VOTING PROCESS

### VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provision of Section 108 of the Companies act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide the members with facility to exercise their right to vote at the 29th Annual General Meeting by electronic means and the business may be transacted through the facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") as provided by Link Intime India Private Limited (LIPL). The Board of Directors of the Company has appointed M/s NSP & Associates as the Scrutinizer for this purpose.
- II. That the facility for voting, through Ballot paper shall also be made available at the meeting & members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

### IV. E-Voting Instructions

- i. The voting period begins at 9.00 A.M on 24th September, 2019 and ends on 5.00 P.M on 26th September, 2019. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.

#### **Instructions for shareholders to vote electronically:**

- **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**
  1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
  2. Click on "Login" tab, available under 'Shareholders' section.
  3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  4. Your User ID details are given below:
    - a. **Shareholders holding shares in demat account with NSDL** : Your User ID is 8 Character DP ID followed by 8 Digit Client ID
    - b. **Shareholders holding shares in demat account with CDSL** : Your User ID is 16 Digit Beneficiary ID
    - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate)** : Your User ID is Event No + Folio Number registered with the Company
  5. Your Password details are given below :

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).



<b>For Shareholders holding shares in Demat Form or Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholder registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/DOI, Dividend Bank Details etc. and confirm. (the password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same option "Favour/Against" for voting. Cast your vote by selecting appropriate option i.e Favour/Against as desired.  
Enter the number of shares ( which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / **Mutual Fund / Corporate Body**'.  
They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
  - During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.
- V. The voting rights of the members shall be proportion to their share of the paid up Equity share capital of the Company as on cut-off date 20th September, 2019.

- VI. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in Annual General Meeting through Ballot Paper.
- VII. The Chairman, shall at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by use of "ballot paper" or "polling paper" for all those members who are present at Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- VIII. A person whose name is recorded in the register of members or in register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- IX. The Results along with the Scrutinizer's Report shall be placed on the Company's website www.archiesonline.com and on the website of LLIPL within 48 hours of the conclusion of the AGM of the Company and communicated to the Stock Exchange.
- X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e 20th September, 2019 may obtain user ID and Password by sending a request at rajiv.ranjan@linkintime.co.in or delhi@linkintime.co.in . However, if you are already registered with LLIPL for remote-voting then you can use your existing user ID and password for casting your vote.

**21. DETAILS OF DIRECTORS RECOMMENDED FOR APPOINTMENT, RE-APPOINTMENT UNDER REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 :-**

Name of Director	Mr. Anil Moolchandani	Mr. Dilip Seth	Mr. Varun Moolchandani	Mr. Sunil Behl	Mr. ArunSinghal	Mr. Kanav Dev Sharma
Age	66Y	52Y	38Y	60Y	56Y	35Y
Qualification	B.A	FCA	Graduate from Delhi University	FCA	B. Com (H), FCA	B.Com (H) & LL.B.
Experience (including expertise in specific functional area) / Brief Resume	Over 43 years' of Management experience in the Social Expression Industry & one of the promoter of the Company.	Over 28 years of experience in the field of Finance, Taxation, Accounts.	20 Years in Business across different categories - Fragrance & Cosmetics, International Brand Tie-ups & New concepts for Business Growth Team Management, Leadership, Strategic Alliances, International Business, P&L, Development and execution of company's business strategies & maintaining trust relationships with shareholders, business partners and authorities.	Over 35 years of experience in the field of Finance, Taxation, Accounts and Audit.	Over 30 years of experience in the field of Capital Market, Income Tax, ROC matters, Company Audits, Bank Audits, Insurance Company Audits etc.	Advocate with five years of experience in Civil Laws, Writs, Special Leave Petitions, Corporate Laws and Arbitration. Possesses impeccable written and verbal communication skills and sublime interpersonal skills.
Terms and Conditions of Appointment / Re-appointment	As per Agreement	As per Agreement	As per Agreement	As per Agreement	As per Agreement	As per Agreement
Remuneration last drawn as director (including sitting fees, if any) (in Rs.)	231,360.00	224800.00	NIL	22500.00	17500.00	NIL
Remuneration proposed to be paid	As per Agreement	As per Agreement	As per Agreement	As per Agreement	As per Agreement	NIL
Date of first appointment on the Board	22/05/1990	07/08/2013	25/06/2019	28/03/2002	28/03/2002	-
Shareholding in the Company as on March 31, 2019	7061607	4000	1630750	1000	NIL	NIL

Relationship with other Directors / Key Managerial Personnel	Brother of Mr. Jagdish Moolchandani and Father of Mr. Varun Moolchandani	-	Son of Mr. Anil Moolchandani and Relative of Mr. Jagdish Moolchandani	-	-	NIL
Number of meetings of the Board attended during the year (as director)	4	4	0	4	4	NIL
Directorships of other Boards as on March 31, 2019	Empire Greeting and Gifts Private Limited	NIL	NIL	NIL	Data Base Investment Service (I) Ltd, Sunita Gupta Share Brokers Ltd, Suvidha Discount Mart (P) Ltd, Sunita Gupta Commodity Brokers (P) Ltd, Hirapur Mines and Minerals (P) Ltd., VG Planatations (P) Ltd	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2019	NIL	NIL	NIL	NIL	NIL	NIL

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

#### THE FOLLOWING STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE SPECIAL BUSINESS MENTIONED IN THE NOTICE:

##### ITEM NOS. 3 AND 4

Mr. Sunil Behl and Mr. Arun Singhal were appointed as Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. They hold office as Independent Directors of the Company up to 22.09.2019 ("first term" in line with the explanation to Sections 149(10) and 149(11) of the Act).

The Human Resources, Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended reappointment of Mr. Sunil Behl and Mr. Arun Singhal as Independent Directors for a second term of 5 (five) consecutive years on the Board of the Company.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Human Resources, Nomination and Remuneration Committee, considers that, given their background and experience and contributions made by them during their tenure, the continued association of Mr. Sunil Behl and Mr. Arun Singhal would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, it is proposed to re-appoint Mr. Sunil Behl and Mr. Arun Singhal as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company. Section 149 of the Act and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") inter alia prescribe that an independent director of a company shall meet the criteria of independence as provided in Section 149(6) of the Act.

Section 149 (10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Mr. Sunil Behl and Mr. Arun Singhal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Sunil Behl and Mr. Arun Singhal for the office of Independent Directors of the Company.

Details of Directors whose re-appointment as Independent Directors is proposed at Item Nos. 3 and 4, are provided in the Note 21 to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letters of appointment of Mr. Sunil Behl and Mr. Arun Singhal setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Mr. Sunil Behl and Mr. Arun Singhal are interested in the resolutions set out respectively at Item Nos. 3 and 4 of the Notice with regard to their respective re-appointments.

The relatives of Mr. Sunil Behl and Mr. Arun Singhal may be deemed to be interested in the respective resolutions to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Special Resolutions set out at Item Nos. 3 and 4 of the Notice for approval by the members.

#### **ITEM NO. 5**

The Board of Directors of the Company ("the Board") at its meeting held on August 10, 2019 has, subject to approval of members, reappointed Mr. Anil Moolchandani as a Chairman and Executive Director of the Company, for a period of 2 (two) years with effect from August 10, 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NR Committee') of the Board and approved by the Board. It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Anil Moolchandani as a Chairman and Executive Director of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Anil Moolchandani are as under

- 1. Term :** 10th August 2019 to 9th August 2021.
- 2. Nature of Duties:** Mr. Anil Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- 3. Salary and Perquisites:** NIL
- 4. Minimum Remuneration:** The above remuneration shall also be paid as minimum remuneration to Mr. Anil Moolchandani in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

Mr. Anil Moolchandani has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Anil Moolchandani as a Chairman and Executive Director. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Mr. Anil Moolchandani as a Chairman and Executive Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Mr. Anil Moolchandani satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Anil Moolchandani under Section 190 of the Act.

Details of Mr. Anil Moolchandani are provided in "Note 21" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Anil Moolchandani is interested in the resolution set out at Item No. 5 of the Notice.

The relatives of Mr. Anil Moolchandani may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

#### ITEM NO. 6

The Board of Directors of the Company ("the Board") at its meeting held on May 28, 2019 has, subject to approval of members, appointed Mr. Varun Moolchandani as an Additional Director, (Executive) of the Company, for a period of 2 (two) years w.e.f. 25.06.2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ('NRC') of the Board and approved by the Board. It is proposed to seek members' approval for the regularisation of appointment of and remuneration payable to Mr. Varun Moolchandani as an Executive Director of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of appointment of and remuneration payable to Mr. Varun Moolchandani are as under:

- 1. Term :** 25th June, 2019 to 24th June, 2021
- 2. Nature of Duties:** Mr. Varun Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
- 3. Basic Salary :** Rs.1,22,500/- per month with the authority to the Board of Directors to revise the basic salary from time to time taking into account of the performance of the Company subject however to the ceiling of Rs. 2,45,000/- per month.
- 4. Perquisites :** In addition to the basic salary he will be entitled to other perquisites as per agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to provident fund, superannuation fund, gratuity, earned leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.

The Company has also received declarations from Mr. Sunil Behl and Mr. Arun Singhal that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mr. Sunil Behl and Mr. Arun Singhal fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations. Mr. Sunil Behl and Mr. Arun Singhal are independent of the management.

- 5. Minimum Remuneration :** The above remuneration shall also be paid as minimum remuneration to Mr. Varun Moolchandani in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

Mr. Varun Moolchandani has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint Mr. Varun Moolchandani as an Executive Director. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. Varun Moolchandani as an Executive Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Mr. Varun Moolchandani satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Varun Moolchandani under Section 190 of the Details of Mr. Varun Moolchandani are provided in "Note 21" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Varun Moolchandani is interested in the resolution set out at Item No. 6 of the Notice.

The relatives of Mr. Varun Moolchandani may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

#### ITEM NO. 7

The Board of Directors of the Company ("the Board") at its meeting held on May 28, 2019 has, subject to approval of members, reappointed Mr. Dilip Seth as a Whole Time Director (Director (Finance) & CFO) of the Company, for a further period of 2 (two) years from the expiry of his present term, that is, August 04, 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee (the 'NR Committee') of the Board and approved by the Board. It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Dilip Seth as a Whole Time Director (Director (Finance) & CFO) of the Company, in terms of the applicable provisions of the Act. Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Dilip Seth are as under:

1. **Term** : 5th August 2019 to 4th August 2021.
2. **Nature of Duties** : Mr. Dilip Seth shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Basic Salary** : Rs. 1,50,000/- per month with the authority to the Board of Directors to revise the basic salary from time to time taking into account of the performance of the Company subject however to the ceiling of Rs. 2,32,000/- per month.
4. **Perquisites**: In addition to the basic salary he will be entitled to other perquisites as per agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to provident fund, superannuation fund, gratuity, earned leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.
5. **Minimum Remuneration**: The above remuneration shall also be paid as minimum remuneration to Mr. Dilip Seth in the event of absence or inadequacy of profit in any year during his remaining tenure subject to the ceilings specified under the provision of section 197 and Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

Mr. Dilip Seth has rich and varied experience in the industry and has been involved in the operations of the Company. He being a qualified Chartered Accountant has been associated with the Company since very long and under his dynamic guidance as a Director (Finance) and CFO of the Company has grown from a small beginning to the position of being a market leader in its business segment.

It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Dilip Seth as a Whole Time Director (Director (Finance) & CFO) of the Company. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Mr. Dilip Seth as a Whole Time Director (Director (Finance) & CFO) of the Company, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act.

Save and except as provided in the foregoing paragraph, Mr. Dilip Seth satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Dilip Seth under Section 190 of the Act.

Details of Mr. Dilip Seth are provided in "Note 21" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Dilip Seth is interested in the resolution set out at Item No. 7 of the Notice.

The relatives of Mr. Dilip Seth may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the members.

#### **ITEM NO. 8**

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Kanav Dev Sharma be appointed as an Independent Director on the Board of the Company.

The appointment of Mr. Kanav Dev Sharma, shall be effective upon approval by the members in the Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Kanav Dev Sharma for the office of Director of the Company. Mr. Kanav Dev Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Kanav Dev Sharma that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Mr. Kanav Dev Sharma fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Kanav Dev Sharma is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Mr. Kanav Dev Sharma are provided in the "Note 21" to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Kanav Dev Sharma setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the members.

**Place : New Delhi**

**Date: August 10, 2019**

**Regd. Office : 191F, Sector-4, IMT Manesar, Gurugram, Haryana-122050**

**Tel No: +91 124 4966666 Fax No: +91 124 4966650**

**Website :www.archiesonline.com / email id: archies@archiesonline.com**

**By order of the Board**

**Anil Moolchandani**  
**(Chairman & Executive Director)**  
**(DIN : 00022693)**

## DIRECTORS REPORT

To The Members,

Your Directors have great pleasure in presenting 29th (Twenty Ninth) Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March 2019.

## PERFORMANCE REVIEW

During the year under review your Company recorded a Revenue from operations of Rs. 16136.44 Lakhs as compared to Rs. 15782.07 Lakhs in the previous financial year showing an increase of 2.25% and the net profit/ (loss) after tax stood at Rs. 72.61 Lakhs in the current financial year as against Rs. (236.96) Lakhs in the previous financial year, showing a increase of 130.64%.

In the challenging market scenario there has been slight increase in the Sales and the Profitability of the Company is improved. The Revenue from operations of the Company constitutes of:

- The Turnover of the gift segment is Rs. 10489.83 lakhs as compared to Rs. 10434.92 lakhs previous year, increased by 0.53%.
- The Turnover of the Greeting card segment is Rs. 2406.49 lakhs as compared to Rs. 2742.43 lakhs previous year, down by 12.25%.
- The stationery sale is Rs. 2716.84 lakhs as compared to Rs. 2333.67 lakhs in the previous year, increased by 16.42%.

The Company owned / managed stores have significantly contributed towards Revenue from Operations and the profits.

## FINANCIAL HIGHLIGHTS

## FOR THE YEAR ENDED

	31st March 2019	31st March 2018
		(₹ in Lakhs)
Income from Operations	16,136.44	15782.07
Other Income	183.84	202.16
Total Expenditure	15,620.26	15586.71
Operating Profit (PBDIT)	700.02	397.52
Interest & Finance Charge	269.79	282.35
Depreciation	357.56	402.96
Profit before Tax (PBT)	72.67	(287.79)
Provision for taxation		
Current	14.96	0.00
Deferred	0.06	50.83
MAT Credit Entitlement	(14.96)	0.00
Profit after Tax	72.61	(236.96)
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	NIL	NIL
Final Dividend (Proposed)	NIL	NIL
Tax on Proposed Dividend	NIL	NIL
Provision for Corporate Social Responsibility	NIL	NIL
Activities	NIL	NIL
Profit Carried Forward	72.61	(236.96)

## DIVIDEND

In view of the inadequate profit, during the year and need to conserve resources for the expansion of the business of your Company, Board expresses its inability to declare any dividend for the financial year 2018-19.

## TRANSFER OF UNPAID UNCLAIMED DIVIDEND AND SHARES TO IEPF

During the FY 2018-19, unclaimed dividend for FY 2010-11 amounting to Rs. 1,24,952 ( Rupees One Lakh Twenty Four Thousand Nine Hundred Fifty Two Only) was transferred to the Investor Education and Protection Fund (IEPF), pursuant to the provision of Section 124(5) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended from time to time).



Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules mentioned aforesaid, all shares in respect of which dividend has not been paid or claimed for 7 (Seven) consecutive years or more were also transferred in the name of IEPF after requisite notice to concerned Shareholders. Detail of such transferred shares are available at the Company's website i.e. [www.archiesonline.com](http://www.archiesonline.com) under "Investors" section and such shares can be claimed back from IEPF authority after following the prescribed procedure.

### RETAIL EXPANSION

The Company continues its efforts to boost sales through different promotional schemes and campaigns and continued its effort to open retail outlets across India in Malls as well as on high Streets. The Company opened total 25 retail stores. As on 31st March 2019 the numbers of company owned/managed stores were 218.

The Company during the year took steps to improve sales and profitability by revamping its E-commerce platform, "archiesonline.com" by making it more user friendly and in line with the existing Indian ecommerce websites to attract more customers. Company has also tied up with various e-retailers who have vast presence in the virtual space like Flipkart, Snapdeal, E-India Store, Group on India, Saffron Art Pvt. Ltd., Gift A love.com, Phoolwala.com, My flower tree, Shopclues, Indian Gifts Portal, Fern N Petals & Bookaflower.com

Your Company will continue with its efforts to open new outlets across India. With expectation of improvement in economy, your Company has plans to open 25 more stores during the year 2019-20.

### CORPORATE GOVERNANCE

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance and Management Discussion and Analysis Report together with a certificate from the Company's Auditors confirming compliance is set out in the annexure forming part of report on Corporate Governance.

In compliance with the Corporate Governance requirements, the Company has implemented a Code of Conduct for all its Board Members and Senior Management Personnel, who have affirmed compliance thereto. The said Code of conduct has been posted on the Company's website.

### DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanation obtained, your Directors make the following statements in terms of section 134(3) &(5) of the Companies Act, 2013:

- (i) That in the preparation of the annual accounts for the year ended 31st March 2019, the applicable Accounting Standards have been followed, along with proper explanation relating to material departures, if any;
- (ii) That such accounting policies as mentioned in the Notes to Accounts, have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent, so as to give a true and fair view to the state of affairs of the company as at 31st March, 2019 and of the profit and loss of the company for the period;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts have been prepared on a going concern basis;
- (v) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013, at least two-third of the Directors shall be subject to retirement by rotation out of which, one-third of such Directors must retire from office at each Annual General Meeting of the shareholders and a retiring directors eligible for re-election. Accordingly, Mr. Anil Moolchandani retires by rotation and being eligible, has offered to be re-appointed at the ensuing Annual General Meeting.

The Board met four times during the year under review. Meetings were held on 23rd May 2018, 10th August 2018, 03rd November 2018 and 06th February, 2019.

All Independent Directors have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

The Board of Directors in its meeting held on 10th August, 2018 approved the following change in directorship of the Company as under:

- a) Dr. Bhavna Chadha was resigned as Non-Executive and Independent Director of the Company with effect from 10.08.2018.
- b) Mrs. Payal Jain was appointed as Non-Executive and Independent Director of the Company for a period of 3 (three) years with effect from 10.08.2018.

\*Mr. Anil Moolchandani is re-appointed as a Chairman and Executive Director of the Company for a period of 2 (two) years with effect from 10th August, 2019 from its existing designation as Chairman and Non-Executive Director.

\*\*Mr. Dilip Seth is re-appointed as Whole-Time Director (Director Finance & CFO) of the Company for a further period of 2 (two) years with effect from 05.08.2019.

\*\*\*Mr. Varun Moolchandani is appointed as Additional Director (Executive) of the Company for a period of 2 (two) years with effect from 25.06.2019.

\*\*\*Mr. Sunil Behl is re-appointed as an Independent Director (Non-Executive) of the company for a further period of 5 (five) years with effect from 23.09.2019.

\*\*\*\*Mr. Arun Singhal is re-appointed as an Independent Director (Non-Executive) of the company for a further period of 5 (five) years with effect from 23.09.2019.

\*\*\*\*\*Mr. Kanav Dev Sharma is appointed as Non-Executive and independent Director of the Company for a period of 5 (five) years with effect from 19.08.2018.

#### **KEY MANAGERIAL PERSONNEL**

The details of the Key Managerial personnel are as under:

<b>S. No.</b>	<b>Name</b>	<b>Designation</b>
1	Mr. Anil Moolchandani*	Chairman and Managing Director
2	Mr. Dilip Seth	Director (Finance) & CFO
3	Mr. Gautam**	Company Secretary

\*Mr. Anil Moolchandani is re-appointed as a Chairman and Executive Director of the Company for a period of 2 (two) years with effect from 10th August, 2019 from its existing designation as Chairman and Non-Executive Director.

\*\* Mr. Gautam, Company Secretary of the Company resigned w.e.f. 28.05.2019. Further Mr. Hitesh Kumar is appointed as Company Secretary of the Company w.e.f. 12.08.2019.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committee and Individual Directors, including Independent Directors.

A structured questionnaire was prepared after taking into consideration of the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

Board members had submitted response on a scale of 4 (outstanding)- 1 (needs improvement) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non - Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of executive and Non-Executive directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

The Board of Directors expressed their satisfaction with the evaluation process.

#### **SUCCESSION PLANNING**

The Nomination and Remuneration Committee works with the Board on the Succession plan and prepares for the succession in case of any exigencies.

#### **NUMBER OF MEETINGS OF THE BOARD**

The details of the number of meetings of the Board held during the Financial Year 2018-19 forms part of the Corporate Governance Report.

#### **AUDITORS**

M/s J.P. Kapur & Uberai (FRN-000593N), Chartered Accountants was appointed as statutory auditors of the Company in the Annual General Meeting held on 28th September, 2017 for five years subject to ratification for four consecutive Annual General Meeting held after Annual General Meeting held on 28th September, 2017.

As per the Companies (Audit and Auditors) Amendment Rules 2018 dated 07.05.2018, the ratification of appointment of statutory auditors of the Company in every Annual General Meeting till Sixth Annual General Meeting has been omitted.

Therefore, M/s J.P. Kapur&Uberai (FRN-000593N), Chartered Accountants shall continue as statutory auditors of the Company for financial year 2019-20. There is no requirement of ratification of appointment of Statutory Auditors in ensuing Annual General Meeting.

#### **AUDITOR'S REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any observation, qualification, reservation or adverse remark.

#### **COST AUDITORS**

As per the new Companies (Cost Records and audit) Rules 2014 the appointment of Cost Auditor is not required for your Company

## **INTERNAL FINANCIAL CONTROLS**

In terms of section 134 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has an Internal Financial Control System in relation to the policies and procedures adopted by the Company. The Company has in place adequate Internal Financial Control with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

## **RISK MANAGEMENT**

Your Company is well aware of risks associated with its business operations. Comprehensively risk management system is being put in place involving classification of risk, adoption of risk management measures and a strong mechanism to deal with potential risks and situation leading to a rise of risks in an effective manner.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo information are given in Annexure 'A' to the Directors' Report, in terms of the requirements of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92(3) of the Companies Act, 2013 is annexed herewith as Annexure-B and forms an integral part of this report.

## **SECRETARIAL AUDITOR**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. Dayal & Maur, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith as Annexure C to this Report and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## **EMPLOYEES' REMUNERATION**

None of the Employees drew the salary more than the prescribed limit i.e. ₹ 1.02 Crores in a year for the financial year 2018-19 as per the provisions of Section 197 (12) of the Companies Act, 2013 read with Rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Detail pertaining to Remuneration as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms a part of this report as Annexure – E.

## **NOMINATION AND REMUNERATION POLICY**

The Board of Directors have constituted Nomination and Remuneration Committee pursuant to Section 178 of the Companies Act, 2013 and regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 comprising Mr. Sunil Behl (Chairperson), Mrs. Payal Jain and Mr. Arun Singhal as members of the Committee. Dr. Bhavna Chadha, Member of the Committee resigned w.e.f. 10.08.2018. Further the vacancy created was filled by the appointment of Mrs. Payal Jain as the member of the Committee w.e.f. 10.08.2018. The Board of Directors has formulated a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy also lays down the criteria for selection and appointment of Board Members. The details of the Policy forms a part of this report as Annexure – D and the Details / Disclosures of Ratio of Remuneration to each Director to the median employee's remuneration as Annexure – E. The Nomination and Remuneration Policy is available on our website at the link-<https://www.archiesonline.com/public/htdocs/nomination-remuneration.pdf>.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Board of Directors of the Company have constituted Corporate Social Responsibility (CSR) committee pursuant to Section 135 of Companies Act, 2013, Schedule VII and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant rules and provisions comprising Mr. Sunil Behl (Chairperson), Mr. Anil Moolchandani and Mr. Dilip Seth as members of the Committee on 16th May, 2014. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Corporate Social Responsibility policy is also available on our website at the link, <http://www.archiesonline.com/htdocs/csr.pdf>

Due to the loss in the Financial Year 2017-18, the Company has not spent any amount on CSR Activities in the Financial Year 2018-19. The Annual Report on CSR activities is annexed herewith as Annexure - F.

## **WHISTLE BLOWER POLICY/ VIGIL MECHANISM**

The Board at its meeting held on 16th May 2014, adopted a Whistle Blower Policy/Vigil Mechanism in accordance with the provisions of the Companies Act 2013 and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which provides a formal mechanism for all directors, employees and other stakeholders of the Company, to report to the management their genuine concerns or grievances about unethical behavior, actual or suspected fraud and any violation of the Company's Business Code of Conduct.

The Policy also provides a direct access to the Chairperson of the Audit Committee to make protective disclosures to the management about

grievances or violation of the Company's Business Code of Conduct.

The Whistle Blower policy is also available on our website at the link, <http://www.archiesonline.com/htdocs/Whistle-blower-policy-ARCHIES-LIMITED.pdf>.

#### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE**

The Board of Directors of the Company have constituted Internal Complaint Committee who will hear and redress the complaint made in writing by any aggrieved woman of sexual harassment at workplace as per the "Sexual Harassment of Woman At Workplace (Prevention, Prohibition and Redressal) Act, 2013". The Policy is also available on our website at the link, <http://www.archiesonline.com/htdocs/Sexual-Harassment-Policy.pdf>.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **AUDIT COMMITTEE**

The Audit Committee as on 31st March, 2019 comprises Independent Directors namely Mr. Sunil Behl, Mr. Arun Singhal and Mrs. Payal Jain. All the recommendations made by the Audit Committee were accepted by the Board. Dr. Bhavna Chadha, member of the Committee resigned w.e.f. 10.08.2018. Further the vacancy created was filled by the appointment of Mrs. Payal Jain as the member of the Committee w.e.f. 10.08.2018.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered with the Related Parties for the year under review were on arm's length basis and in the ordinary course of business. Thus disclosure in Form AOC-2 is not required. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

All related party transactions are placed before the Audit Committee as also to the Board for approval. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board is available on our website at the link, <http://www.archiesonline.com/htdocs/transactionPolicy.pdf>.

Your Directors draw attention of the members to Note 31 to the financial statement which sets out related party disclosures.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Pursuant to the Regulation 34(2) (e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report is annexured to this report.

#### **PUBLIC DEPOSITS**

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of the Companies Act, 2013.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENT MADE AND GUARANTEES GIVEN**

During the year under review the Company has not granted any loans and Investment made and given guarantee under the provisions of Section 186 of the Companies Act, 2013.

#### **INDUSTRIAL RELATIONS**

The relations between the Company and its employees continued to be cordial and harmonious throughout the year under review.

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

#### **STATUS OF LISTING FEES**

Your Company has been regularly paying listing fees to the BSE & NSE, Mumbai where its Equity Shares are listed.

#### **ACKNOWLEDGEMENT**

Your Directors would like to take this opportunity to express their sincere thanks to its valued franchisees, distributors, C & F agents, collaborators, bankers, Government authorities, customers and all other business associates for their continued co-operation and patronage.

The Directors would also like to express their deep sense of appreciation to all the employees who are committed to strong work ethics, excellence in performance and commendable teamwork and have thrived in a challenging environment. The Directors wish to express their gratitude to the valued shareholders for their unwavering trust and support.

**For and on behalf of the Board**

**Anil Moolchandani**  
**Chairman & Executive Director**  
**(DIN : 00022693)**

**Place : Delhi**  
**Date : 10th August, 2019**

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### A) Conservation of Energy

Energy conservation continues to be an area of emphasis and is regularly monitored. The Company's plant has been designed in such a manner so as to achieve a high efficiency in the utilization of energy. The key areas with respect to reduction of energy were identified and necessary steps initiated.

#### Measures Taken for Improvement

The Company is also engaged in continuous process of energy conservation through improved operational and maintenance practices. Following are the brief steps taken by the Company for conservation of energy at its outlets:-

1. All the Store managers are regularly made aware about the energy consumption of their store based on their connected load and trained to make maximum utilization of energy and minimize wastages.
2. Controlled the energy consumption of Air conditioners by optimizing the temperature inside the stores (25.C). Company is installing only 5 Star rated Air conditioners in the outlets to minimize electricity consumption.
3. In new stores only LED lights are installed instead of CFL bulbs.
4. Company has installed Capacitors bank to maintain the power factor to reduce the losses on the energy bills.
5. Optimized lighting consumption by strictly controlling the operating hours as per the usage pattern.
6. The Company has also installed 72 KW rooftop Solar energy plant at its Factory at Manesar which is operational from July, 2015 and functioning well.
7. The Company has installed 40 KW rooftop Solar energy plant at the Corporate office of the Company which is operational from February 2017.

### B) Technology Absorption

#### Technology absorption, adaptation and innovation

1. Efforts in brief, made towards technology absorption, adaptation and innovation. The Company has a tie-up with Hallmark Cards Inc. (which is incidentally one of the world leaders in the greeting card business) for sourcing of designs. The company also remains in touch with number of other Companies across the world, which helps in keeping abreast with the latest happening in the world in printing technology, latest designing trends in cards & various other paper products, latest fashions in the gift segment etc.
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. As a result of these efforts, the Company has been able to achieve higher production, accuracy and perfection in printing and to develop and introduce latest products.
3. In case of imported technology (imported during the last 3 years), following information may be furnished: Not Applicable
  - (a) Technology imported
  - (b) Year of import
  - (c) Has technology been fully absorbed?
  - (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.
4. Expenditure on R & D Not Applicable

### C) Foreign Exchange earnings and outgo

- a) Activities relating to exports initiative taken to increase exports, development of new export markets for products and services and export plans:

During the year the Company exported its products to Sri Lanka, Bangladesh, Mauritius, United States of America, Australia, Kuwait, UAE, Oman, Thailand and Italy. Plans are also underway to take active participation in exhibitions and fairs to reach new markets and thus enhancing sales.

#### b) Total foreign exchange used and earned

FOR THE YEAR ENDED

	31st March 2019	31st March 2018
(A) Total Foreign Exchange Earned	174.75	143.39
(B) Total Foreign Exchange Used	2073.35	1579.87

**ANNEXURE 'B' TO THE DIRECTORS' REPORT**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on 31st March, 2019**

**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i. Corporate Identification Number :	L36999HR1990PLC041175
ii. Registration Date:	22.05.1990
iii. Name of the Company:	Archies Limited
iv. Category / Sub-Category of the	Company: Company having share capital
v. Address of the Registered office and contact details:	191F, Sector-4, IMT Manesar, Gurgaon Haryana-122050 Tel No: 0124-4966666, Fax No: 0124-4966650
vi. Whether listed company(Yes / No):	Yes
vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:	<b>LINK INTIME INDIA (PRIVATE) LIMITED</b> Noble Heights , 1st Floor, Plot NH 2, C-1 Block, LSC, Janakpuri, New Delhi- 110058 shamwant.kushwah@linkintime.co.in swapann@linkintime.co.in Contact Person Mr. Swapan Kumar Tel :+91 11 49411000  Extn: 7113

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Printing and Service activities related to printing	181	15.16%
2.	Retail sale of cultural and recreation goods in specialized stores	476	17.11%
3.	Retail Sale of Other Goods in Specialized Stores	477	67.73%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ subsidiary/ Associate	% of shares held	Applicable Section
1.			NONE		

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoter</b>									
<b>[1] Indian</b>									
(a) Individuals / Hindu Undivided Family	20504600	0	20504600	60.70	20722307	0	20722307	61.34	0.64
(b) Central Government /State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Any Other (Specify)	20504600	0	20504600	60.70	20722307	0	20722307	61.34	0.64
<b>Sub Total (A)(1)</b>									
<b>[2] Foreign</b>									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub Total (A)(2)</b>									
<b>Total Share holding of Promoter and Promoter Group(A) = (A)(1)+(A)(2)</b>	20504600	0	20504600	60.70	20722307	0	20722307	61.34	0.64
<b>(B) Public Shareholding</b>									
<b>[1] Institutions</b>									
(a) Mutual Funds / UTI	0	0	0	0.00	0	0	0	0.00	0.00
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f) Financial Institutions / Banks	58910	0	58910	0.17	37915	0	37915	0.11	-0.06
(g) Insurance Companies	75000	0	75000	0.22	75000	0	75000	0.22	0.00
(h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Specify) Foreign Bank	500	0	500	0.00	500	0	500	0.00	0.00
<b>Sub Total (B)(1)</b>	134410	0	134410	0.40	113415	0	113415	0.34	-0.06
<b>[2] Central Government /State Government (s)/ President of India</b>									
Central Government /State Government(s)	69161	0	69161	0.20	0	0	0	0.00	-0.20
<b>Sub Total (B)(2)</b>	69161	0	69161	0.20	0	0	0	0.00	-0.20
<b>[3] Non-Institutions</b>									
<b>(a) Individuals</b>									
(i) Individual share holders holding nominal share capital upto Rs. 1 lakh.	9110902	228343	9339245	27.64	8961117	193673	9154790	27.10	-0.55
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	670681	0	670681	1.98	746204	0	746204	2.21	0.22

Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) NBFCs registered with RBI	0	0	0	0.00	842	0	842	0.00	0.00
(c) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.0000	0.00
(d) Any Other (Specify) IEPF	0	0	0	0.00	95595	0	95595	0.28	0.28
Foreign Nationals	600	0	600	0.00	600	0	600	0.00	0.00
Hindu Undivided Family	481084	0	481084	1.42	559436	0	559436	1.66	0.23
Non Resident Indians (Non Repat)	114204	0	114204	0.34	121059	0	121059	0.36	0.02
Non Resident Indians (Repat)	343065	0	343065	1.02	255161	0	255161	0.76	-0.26
Clearing Member	354645	0	354645	1.05	224686	0	224686	0.67	-0.38
Bodies Corporate	1756305	12000	1768305	5.23	1773905	12000	1785905	5.29	0.05
<b>Sub Total (B)(3)</b>	12831486	240343	13071829	38.70	12738605	205673	12944278	38.32	-0.38
Total Public Share holding(B)=(B)(1)+(B)(2)+(B)(3)	13035057	240343	13275400	39.30	12852020	205673	13057693	38.66	-0.64
Total (A)+(B)	33539657	240343	33780000	100.00	33574327	205673	33780000	100.00	0.00
<b>(C) Non Promoter - Non Public</b>									
[1] Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total (A)+(B)+(C)</b>	<b>33539657</b>	<b>240343</b>	<b>33780000</b>	<b>100.00</b>	<b>33574327</b>	<b>205673</b>	<b>33780000</b>	<b>100.00</b>	

#### ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in Share Holding During the year
		No. Of Shares	% of total Shares of the Company	% of Shares Pledged/ Encumbered to total Share	No. Of Shares	No. Of total Shares of the Company	% of Shares Pledged/ Encumbered to total Share	
1	Anil Moolchandani	6843900	20.26	0.00	7061607	20.90	0.00	0.64
2	Jagdish Moolchandani	4253230	12.59	0.00	4253230	12.59	0.00	0.00
3	Pushpa Moolchandani	2964250	8.77	0.00	2964250	8.78	0.00	0.00
4	Karan Moolchandani	1852000	5.48	0.00	1852000	5.48	0.00	0.00
5	Raghav Moolchandani	1808120	5.35	0.00	1808120	5.35	0.00	0.00
6	Varun Moolchandani	1630750	4.83	0.00	1630750	4.83	0.00	0.00
7	Neeru Moolchandani	1005000	2.98	0.00	1005000	2.98	0.00	0.00
8	Mansi M Chandok	147350	0.44	0.00	147350	0.44	0.00	0.00
	Total	20504600	60.70	0.00	20722307	61.34	0.00	0.64



iii) Change in Promoters' Shareholding ( please specify, if there is no change)

MGT-9 IV. Chang in Promoter's Shareholding							
Sr No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% Of Total Shares Of the Company	Date Of Transaction	No. Of Shares	No. Of Shares Held	% Of Total Shares Of the Company
1	Anil Moolchandani	6843900	20.26			6843900	20.26
	Transfer			13 Jul 2018	50000	6893900	20.41
	Transfer			05 Oct 2018	100000	6993900	20.70
	Transfer			12 Oct 2018	28550	7022450	20.79
	Transfer			19 Oct 2018	39157	7061607	20.90
	At The End Of The Year					7061607	20.90
2	Jagdish Moolchandani	4253230	12.59			4253230	12.59
	At The End Of The Year					4253230	12.59
3	Pushpa Moolchandani	2964250	8.78			2964250	8.78
	At The End Of The Year						
4	Karan Moolchandani	1852000	5.48			1852000	5.48
	At The End Of The Year					1852000	5.48
5	Raghav Moolchandani	1808120	5.35			1808120	5.35
	At The End Of The Year					1808120	5.35
6	Varun Moolchandani	1630750	4.83			1630750	4.83
	At The End Of The Year					1630750	4.83
7	Neeru Moolchandani	1005000	2.98			1005000	2.98
	At The End Of The Year						
8	Mansi M Chandok	147350	0.44			147350	0.44
	At The End Of The Year					147350	0.44

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Equity Intelligence India Private Limited	400000	1.18	1100000	3.26
2	Gaurav Manocha	178000	0.53	178000	0.53
3	Chander Mohan Khullar	0	0.00	127801	0.38
4	Sharda Goyal	115854	0.34	115854	0.34
5	Manmeet Singh	69443	0.21	110216	0.33
6	Pushpa Devi Baheti	75000	0.22	101500	0.30
7	Murli Manohar Baheti	0	0.00	99420	0.29
8	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	69161	0.20	95595	0.28
9	Globe Capital Market Limited	33896	0.10	94390	0.28
10	M.S. Kadian	84000	0.25	84000	0.25

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Director/ Key Management Personal	Shareholding		Date	Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-18 to	
		No. of shares at the beginning (01-04-18)/at the end of the year	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Anil Moolchandani Chairman and Managing Director	6843900	20.26	01-Apr-18	217707	Purchase of Shares	7061607	20.90
		7061607	20.90	31-Mar-19	0		7061607	20.90
2	Mr. Jagdish Moolchandani Director	4253230	12.59	01-Apr-18		Nil movement during the year	4253230	12.59
		4253230	12.59	31-Mar-19			4253230	12.59
3	Mr. Dilip Seth Director (Finance) & CFO	4000	0.01	01-Apr-18	0	Nil movement during the year	4000	0.01
		4000	0.01	31-Mar-19			4000	0.01
4	Mr. Sunil Behl (Director)	1000	0.003	01-Apr-18	0	Nil movement during the year	1000	0.003
		1000	0.003	31-Mar-19			1000	0.003
5	Mr. Arun Singhal (Director)	0	0	01-Apr-18	0	Nil movement during the year	0	0
		0	0	31-Mar-19			0	0
6.	Mrs. Payal Jain (Director)	0	0	01-Apr-18	0	Nil movement during the year	0	0
		0	0	31-Mar-19			0	0
7.	Dr. Bhavna Chadha **	0	0	1-Apr-18	0	Nil movement during the year	0	0
		0	0	31-Mar-19	0		0	0
B	KEY MANAGERIAL PERSONNEL							
1	Mr. Gautam Company Secretary	0	0	01-Apr-18	0	Nil movement during the year	0	0

\*Mr. Anil Moolchandani purchased shares of the Company as per the following details:-

1. Purchase of 50,000 shares on 13.07.2018.
2. Purchase of 1,00,000 shares on 05.10.2018.
3. Purchase of 28,550 shares on 12.10.2018.
4. Purchase of 39,157 shares on 19.10.2018.

\*\* Dr. Bhavna Chadha resigned as an Independent Director of the Company w.e.f 10th August,2018.

## V. INDEBTEDNESS

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

(In ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	124,083,320.23	41,500,000.00	-	165,583,320.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22,790.64	-	-	22,790.64
Total( i +ii + iii)	124,106,110.87	41,500,000.00	-	165,606,110.87
<b>Change in Indebtedness during the financial year</b>				
Addition, net	992,696,014.56	-	-	992,696,014.56
Reduction, net	956,618,803.52	41,500,000.00	-	998,118,803.52
<b>Net Change</b>	36,077,211.04	(41,500,000.00)	-	(5,422,788.96)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	160,183,321.91	-	-	160,183,321.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total( i +ii + iii)</b>	160,183,321.91	-	-	160,183,321.91

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Anil Moolchandani\ Chairman and Managing Director	Mr. Dilip Seth Director (Finance) & CFO	
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3033900.00	2262028.00	5295928.00
	(b) Value of perquisites	0.00	0.00	0.00
	(c) u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- Others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total (A)</b>	<b>3033900.00</b>	<b>2262028.00</b>	<b>5295928.00</b>

**B. Remuneration to other directors:**

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil Behl	Mr. Arun Singhal	Dr. Bhavna Chadha	Mrs. Payal Jain	
1.	Independent Directors • Fee for attending board /committee meeting • Commission • Others, please specify	70000.00 - -	65000.00 - -	35000.00	37500.00	207500.00 - -
	Total (1)	70000.00	65000.00	35000.00	37500.00	207500.00
2.	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	- - -	- - -			- - -
	Total (2)	-	-			-
	Total (B)=(1+2)	70000.00	65000.00	35000.00	37500.00	207500.00

**C. Remuneration to key managerial personnel other than MD/Manager/WTD**

(In ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. Gautam Company Secretary	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	830352.00	830352.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8907.00	8907.00
	(c) Profits in lieu of salary under section 17 (3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission • as % of profit • Others, specify...	Nil	Nil
5	Others, please specify	Nil	Nil
	Total	839259.00	839259.00

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

## ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2019

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

To,

**The Members,**

**Archies Limited**

**191 F, Sector-4, IMT Manesar, Gurgaon, Haryana-122050**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Archies Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. We have also relied on the Reports of the Statutory Auditors and Internal Auditors, drawn for the financial year under review, wherever considered necessary.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings; if any;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

We have also verified the compliances of the Company with the other statutes, which are specifically applicable to the Company, as reported by the management thereof, except to the extent the same were in the scope of work of the Statutory Auditors and / or Internal Auditors.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations under the respective statutes as aforementioned.

We further report that:

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that:

1. On 14th Feb, 2019, a fire had occurred due to short circuit at the Corporate Office premises of the Company which caused damage to the property and inventory of the Company.
2. There has been a delay in transferring the amount of unclaimed dividend to Investor Education and Protection fund.
  - Due Date:- 5th Dec, 2018
  - Date of Deposit:- 17th Dec, 2018
3. There has been a change in Independent Director during the year, Dr. Bhavna Chadha resigned w.e.f 10th August, 2018 and Mrs. Payal Jain was appointed to fill the vacancy caused due to resignation of Dr. Chadha.

**Place: New Delhi**

**Date:** 10th August, 2019

For **DAYAL & MAUR**  
Company Secretaries

**SHAILESH DAYAL**

Partner  
FCS No. 4897  
CP No. 7142

To,  
The Members,  
Archies Limited  
191 F, Sector-4, IMT Manesar, Gurgaon, Haryana-122050

**ANNEXURE-A**

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

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

**Place: New Delhi**

**Date:** 10th August, 2019

For **DAYAL & MAUR**  
Company Secretaries

**SHAILESH DAYAL**

Partner  
FCS No. 4897  
CP No. 7142

## ANNEXURE 'D' TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY

Section 178 of the Companies Act, 2013 (“Act”) requires the Nomination and Remuneration Committee (“Committee”) to recommend a policy for nomination of Directors, KMP, SM who report to the board of directors (“Board”) and remuneration of Directors, KMP, SM and other employees. This policy has been recommended by the Nomination and Remuneration Committee and adopted by the Board at its meeting held on 20th May, 2015. It will come into effect on 20th May, 2015 and supersedes the existing Compensation and Remuneration policy. The policy harmonises the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company considers its human resources as its invaluable assets. This policy has been formulated so as to align the aspirations of the employees with the goals of the Company and with a view to provide an overall comprehensive framework to nominate Directors, KMP and SM and pay fair and equitable remuneration to its Directors, KMP, SM and other employees.

For the purposes of this policy, the following terms will have the meaning ascribed to them below:

1. “Key Managerial Personnel or KMP” shall mean – (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-time Director; (iv) the Chief Financial Officer; and (v) such other officer as may be prescribed in the Act.
2. “Senior Management or SM” shall mean those personnel of the Company who are members of its core management team excluding the Board, comprising all members of management one level below the Executive Directors, including the functional heads.

### PART A - NOMINATION POLICY

#### 1. Eligibility Criteria for Nomination of Directors

1.1 A Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company and Section 164 of the Act;
- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role he / she is required to perform;
- possess the highest personal and professional ethics, integrity, values and stature; and
- be willing to devote sufficient time and energy in carrying out their duties and responsibilities.

1.2 A Managing Director or Whole-time Director or Manager should in addition to the above:

- fulfill the conditions specified in Section 196 read with Schedule V of the Act.

1.3 An independent Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company, Section 164 & 149(6) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

#### 2. Eligibility Criteria for Appointment of KMP and SM

2.1 A KMP and SM should:

- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and relevant to the role he / she is required to perform;
- possess the highest personal and professional ethics, integrity and values; and
- devote sufficient time and energy in carrying out his / her duties and responsibilities.

#### 3. Diversity

3.1 The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. The Committee will periodically review board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency and operational efficiency and risk management. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and board diversity at the time of nominating Directors. It will be the Committee's endeavour to have Board members from diverse backgrounds/disciplines including the following:

- Accounting;
- Corporate Finance;
- Legal;
- Corporate laws;
- Information Technology
- Business Strategy;
- Engineering and
- Any other background/discipline as deemed necessary by the Committee.

#### 4. Tenure of Directors

The Directors of the Company are appointed / re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive on the Board have been appointed as per the provisions of the Companies Act, 1956 / Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company

As regards the appointment and tenure of the independent Directors, following is the policy adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations.
- The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013 and the Listing Regulations.
- In accordance with the recently notified changes in the Listing Regulations, the Company shall ensure that the appointment of any Non-Executive Director who has attained the age of 75 years is approved by the Members by way of a Special Resolution.

#### 5. Evaluation Criteria and Mechanism

5.1 The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agreed upon. The evaluation criteria may be supplemented, when appropriate, with specific initiatives, projects or professional development objectives.

5.2 The Committee shall carry out evaluation of performance of every Director with a view to increase effectiveness as a governing body as well as participation of the Independent Director on the Board proceedings. The evaluation process shall be led by the Chairman of the Company who shall be supported by an Independent Director and the Company Secretary for completion of the evaluation process. which is as follows:

- Formal review shall be done on an annual basis and shall commence immediately upon completion of the previous financial year and shall be completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board;
- Format for formal review shall consist of the form for (a) self appraisal and (b) Board evaluation as set out in **[Annexure A]**;
- The Board evaluation form is to be distributed to all Board members well in time such that the evaluation process is completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board; and
- Results of the evaluation to be discussed in the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board such that the basis the evaluation process, recommendations of the Board for the re-appointment of the retiring Directors can be included in such notice and agenda for the annual general meeting.

### PART B – REMUNERATION POLICY

#### 1. Guiding Principles

1.1 The guiding principles of remuneration of the Directors, KMP, SM and other employees of the Company are:

- The level and composition of remuneration is competitive, reasonable and aligned to market practices and trends to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
- The remuneration Committee considers pay and employment conditions with peers / elsewhere in the Competitive market to ensure that the pay structures are appropriately aligned and the levels of remuneration remain appropriate in this context.
- The remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- Quantitative and qualitative assessments of performance are used to making informed judgments to evaluate performances;
- Sufficiently flexible to take into account future changes in industry and compensation practice; and
- The pay takes into account both external market and achievements of Company performance targets to a balanced 'fair' outcome along with strong alignment of interest with Stakeholders.

#### 2. Remuneration to Managing Director or Whole-time Director or Manager

- The remuneration and increments thereon to be paid to the Managing Director or Whole-time Director or Manager shall be determined in accordance with the conditions laid down in the Act.
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director or Whole-time Director or Manager in accordance with the provisions of the Act read with rules made thereunder and Schedule V of the Act.



- If any Managing Director or Whole-time Director or Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
- The total remuneration of the Managing Director or Whole-time Director or Manager shall comprise of the following:
- A fixed base salary and fixed allowances;
- Retiral benefits; and
- Other benefits and reimbursements,

The details in relation to each component are set out in Part I of **Annexure B**. Any deviation from the same shall be recorded in the minutes of the meeting of the Committee with proper justification for the same.

### 3. Remuneration to Non-Executive Directors

- The remuneration to be paid to the non-executive Directors shall be determined in accordance with the conditions laid down in the Articles of Association of the Company and as per the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The total remuneration of the Non-executive Directors /Independent Directors shall comprise of the following:
- Sitting Fee; and

They will also be entitled to reimbursement for out-of-pocket expenses. The details in relation to each component are set out in Part II of **Annexure B**. Any deviation from the same shall be recorded in the minutes of the meeting of the Committee with proper justification for the same.

4. The remuneration, compensation, etc. to the Whole-time Director, Managing Director and Manager will be determined by the Committee and recommended to the Board for approval. The remuneration, compensation etc. shall be subject to the prior or post approval of the shareholders of the Company and Central Government, wherever required.
5. The remuneration, compensation, etc. to the KMPs, SMs and other employees will be determined by the Company basis discussions with the Committee after taking into account general market practice, performance of the Company and other relevant factors as prescribed by the Committee from time to time.

### 6. Insurance

- 6.1 Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
7. The Board of Directors may deviate from this policy if there are specific reasons to do so in an individual case. Any departure from the policy shall be recorded and reasoned in the Board's minutes.
8. The adequacy of this policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.

## Annexure A

### ARCHIES BOARD EVALUATION POLICY

The Company's board acknowledges its intention to establish "best practices" in board governance in order to fulfill its fiduciary obligation to the stakeholders. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

Copies of the evaluation form will be distributed to each Board Member and each Board member shall complete the forms and return them to the Company Secretary.

The Board has adopted the evaluation criteria and forms that are attached to this policy. These may be changed at any time by the Board.

#### ARCHIES Board Member Self Evaluation

1	I attend the Board and Committee meetings and I arrive on time and stay until meetings conclude.		
2	I contribute to the discussion in a meaningful and helpful way, listening to others and making my points concisely.		
3	I avoid conflicts of interest and ask questions of the Board Chair or Executive Director if I am unsure if a conflict exists.		
4	I read the materials distributed before the Board meeting so I can constructively participate and make timely decisions.		
5	I work with the other Board members as a team, striving for consensus when it is called for.		
6	I work with the Executive Director in a way that creates an atmosphere of trust and cooperation.		
7	I communicate governance and ethical problems to the Board Chair and Executive Director.		

## ARCHIES Board Evaluation

### Performance Scale

#### 4 –Outstanding 3 –Good 2 –Adequate 1 –Needs improvement

Sl. No.	Criteria	4	3	2	1
		Outstanding	Good	Adequate	Needs Improvement
1.	The Board engages in long-range strategic thinking and planning.				
2.	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.				
3.	The Board ensures that new Board members receive a prompt, thorough orientation.				
4.	Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.				
5.	The size and diversity of Board is appropriate.				
6.	Board members have the appropriate qualifications to meet the objectives of the board's charter, including appropriate financial literacy.				
7.	The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues.				
8.	Meetings are held with enough frequency to fulfill the board's duties and atleast quarterly.				
9.	The Board maintains adequate minutes of each meeting.				
10.	The Board and Committee meetings are of reasonable length.				
11.	The Committees are comprised of the right number and type of members.				
12.	The Committees report back to the Board as they should and do not exceed their authority.				
13.	The Board recognizes its policy-making role, and reconsiders and revises policies as necessary.				
14.	Board members actively participate on business and financial issues and provide guidance on long term sustainable goals.				
15.	The Board is consistent about being prepared for meetings and staying engaged.				
16.	The Board reviews annual budget.				
17.	The Board brings discussions to a conclusion with clear direction to staff.				
18.	The Board is collegial and polite during meetings.				
19.	The Chairman demonstrates effective leadership of the Board.				
20.	The Board comprises industry experts with appropriate skills, attributes and experience to carry out their duties.				
21.	Independent Directors meet to discuss Chairman / Managing Director / Whole Time Director(s) performance and succession.				
22.	The Board is adequately apprised of the work of the Board Committees (Audit, Nomination & Remuneration, Stakeholder Relationship and CSR) in line with their charters.				
23.	The Audit Committee regularly discusses with the Statutory Auditors of the Company before recommending financial results of the Company to the Board.				
24.	The Stakeholders' Relationship Committee reviews grievances and ensures that they are resolved in a time bound manner.				
25.	The Corporate Social Responsibility Committee reviews the money spent / to be spent by the Company on CSR activities as per prescribed guidelines and policy.				

## ARCHIES Board Evaluation

### Performance Scale

4 – Outstanding 3 – Good 2 – Adequate 1 – Needs improvement

Sl. No.	Criteria	4	3	2	1
		Outstanding	Good	Adequate	Needs Improvement
26.	The Nomination and Remuneration Committee reviews competitive compenstion benchmarks prior to recommending remuneration for Directors, Key Managerial Personnel and /senior Management.				
27.	Board members challenge the management team to set stretch goals and review their performance.				
28.	Board members receive all relevant papers and documents to allow them to effectively discharge their fiduciary fiduciary responsibilities				
	Total Score				

**Annexure B**  
**Part I**  
**Remuneration at ARCHIES**

**Guiding Principles**

- The level and composition of remuneration is competitive, reasonable and aligned to market practices and trends to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
- The remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;
- Quantitative and qualitative assessments of performance are used to making informed judgments to evaluate performances;
- Sufficiently flexible to take into account future changes in industry and compensation practice; and
- The pay takes into account both external market and Company conditions to a balanced 'fair' outcome.

Executive Remuneration is a combination of Base Fixed and Variable Components to reflect the company's leadership position in the Industry and aligned to company's strategy

**Summary of Components of Remuneration of the Executive Directors/Directors/KMP/SM & other employees as applicable**

No.	Components	Key highlights
1	<b>Base Salary including Fixed Allowances</b>	<ul style="list-style-type: none"> <li>➤ A competitive fixed salary payable on a monthly basis</li> <li>➤ Reflects individual's experience, positioning and role within the Company</li> <li>➤ Reviewed on an annual basis and changes implemented are effective from 1st April each year.</li> <li>➤ Increases in Base Compensation are aligned with annual performance reviews and are competitive and comparable with industry benchmarks.</li> <li>➤ Business and individual performance are taken into considered when setting/increasing the Base Salary</li> </ul>
2	<b>Variable Compensation</b>	<ul style="list-style-type: none"> <li>➤ Variable component is payable on annual basis aligned to company's overall performance, Department performance and individual performance.</li> </ul>
2	<b>Retiral Benefits (PF/Gratuity/SAF)</b>	<ul style="list-style-type: none"> <li>➤ Provide for sustained contribution and social security post employment</li> <li>➤ In accordance with relevant statutory provisions</li> <li>➤ Accruals depending upon length of service</li> <li>➤ <b>Provident Fund</b> - Contribution of 12% of the Basic amount each from Employee and Employer on optional basis</li> <li>➤ <b>Gratuity</b> - 15 days Basic Salary for every completed year of service (on last drawn Basic salary) with a minimum qualifying service period of 5 years</li> <li>➤ Not linked to any performance criteria but part of the total remuneration package</li> </ul>
3	<b>Other Benefits / Reimbursements</b>	<ul style="list-style-type: none"> <li>➤ Market competitive employees benefits</li> <li>➤ In line with the market practices &amp; reviewed periodically</li> <li>➤ Based on level/designation as per policies of the company</li> <li>➤ Not linked to any performance criteria</li> </ul>
4	<b>Notice period salary</b>	<ul style="list-style-type: none"> <li>➤ As per policy/terms of employment</li> </ul>

**Part II**

**Remuneration of the Non-executive Directors / Independent Directors:**

- **Sitting Fee**  
The Non-executive / Independent Directors of the Company shall be paid sitting fees not exceeding the amounts prescribed in the Companies (Appointment and Remuneration of Managerial Personnel) Rules under the Act.
- **Reimbursement of out-of-pocket expenses**  
The Non-executive / Independent Directors shall be reimbursed for out of pocket expenses for attending the Board, Committee, shareholders and creditors meetings.
- **Letter of appointment**  
The appointment of Independent Directors shall be formalised through a letter of appointment in compliance to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015inter-alia covering term of appointment, role of Independent Director including duties and responsibilities, sitting fee etc.

## ANNEXURE 'E' TO THE DIRECTORS' REPORT

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197 (12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S.No.	Requirements	Disclosure			
		Name of the Director			Ratio
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Anil Moolchandani			18.21:1
		Mr. Dilip Seth			14.16:1
		Mr. Jagdish Moolchandani			12.14:1
		1. Sitting Fees paid to the Directors have not been considered as remuneration 2 Figures have been rounded off wherever necessary			
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Anil Moolchandani - Chairman & Managing Director			0.00%
		Mr. Dilip Seth- Director (Finance) & CFO			0.00%
		Mr. Jagdish Moolchandani- Executive Director			0.00%
		Mr. Gautam Verma- Company Secretary			12.06%
3	The percentage increase in the median remuneration of employees in the financial year;	During Financial year 2018-19, there was an increase of 31.48% in the median remuneration of employees.			
4	The number of permanent employees on the rolls of Company as	There was 1278 permanent employees on the rolls company; of the on March 31, 2019.			
5	The explanation on the relationship between average increase in remuneration and company performance;	The Average increase is based on the objectives of Remuneration policy of the policy that is designed to attract, motivate and retain employee who are the drivers of organization success and helps the Company to retain its industry competitiveness.			
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	A. % Increase in Net Sales in 2018-19 as compared to 2017-18			1.47%
		B. % Increase in PAT in 2018-19 as compared to 2017-18			130.64%
		C. % Increase in EBITDA in 2018-19 as compared to 2017-18			58.65%
		For comparison purpose the percentage increase in remuneration of KMP is given in Rule no. (2) above			
7	Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer;	Financial Year Ended (NSE)	Closing Share Price	Market Capitalization	Price Earning Ratio
		31.03.2019	Rs. 25.90	Rs. 87.49 Crores	123.33 Times
		31.03.2018	Rs. 31.85	Rs. 107.58 Crores	(45.50) Times
Closing Share price as on 31st March 2019 was Rs. 25.90. Archie's offer price during its public issue in 1996 was Rs. 70. However these are not comparable as Archies has done stock splits and issued Bonus shares during the intervening period.					

S.No.	Requirements	Disclosure	
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 4% whereas the increase in managerial remuneration was 0%.	
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	a	% Increase in Net Sales in 2018-19 as compared to 2017-18 1.47%
		b	% Increase in PAT in 2018-19 as compared to 2017-18 130.64%
		c	% Increase in EBITDA in 2018-19 as compared to 2017-18 58.65%
		For comparison purpose the percentage increase in remuneration of KMP is given in Rule no. (2) above	
10	The key parameters for any variable component of remuneration availed by the directors;	Not Applicable	
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable	
12	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid during the year 2018-19 is as per the Remuneration policy of the Company	

## ANNEXURE 'F' TO THE DIRECTORS' REPORT

### ANNUAL REPORT DETAILS OF THE CSR ACTIVITY

#### CORPORATE SOCIAL RESPONSIBILITY

During the year Company has constituted Corporate Social Responsibility Committee (CSR Committee) pursuant to section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are provided herein below:

S. No.	Particulars	Remarks
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR Policy was approved by the Board of Directors on 16th May, 2014 and has been uploaded on the company's website. The Company spent Nil towards Community Development and educations during the year ending 31.03.2019. The web link is <a href="http://www.archiesonline.com/htdocs/csr.pdf">http://www.archiesonline.com/htdocs/csr.pdf</a>
2	The Composition of the CSR Committee	The Composition of the CSR Committee Mr. Sunil Behl- Chairman Mr. Anil Moolchandani- Member Mr. Dilip Seth-Member
3	Net profit/(loss) of the company for previous year*	₹ (2,98,46,206.11)
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	NA
5	Detail of CSR spent during the financial year 2018-19	
a)	Total amount to be spent for the financial year 2017-18	NA
b)	Amount spent	NIL

\*as per the amended provision of section 135 of Companies Act 2013, there is no contribution towards CSR for FY 2018-2019.

#### a) Manner in which the amount spent during the financial year is detailed below:

(1) S. No.	(2) CSR Project or activity identified	(3) Sector in which the project is covered (clause no. of Schedule VII of the Companies Act, 2013)	(4) Projects or programs (1) Local area or other (2) Specify the State and district where project or programs was undertaken	(5) Amount outlay (budget) project or program wise.	(6) Amount spent on the projects or programs Sub-heads: Direct expenditure on projects or programs Overheads	(7) Cumulative Expenditure upto the reporting period	(8) Amount spent : Direct or through implementing agency
-	-	-	-	-	-	-	-

6. The Chairman of the CSR Committee has given a responsibility statement on behalf of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

(Mr. Dilip Seth)  
Director (Finance) & CFO

May 28, 2019  
New Delhi

(Mr. Sunil Behl)  
Chairman CSR Committee



## MANAGEMENT DISCUSSION & ANALYSIS REPORT

This report contains statements that the Company's beliefs may be considered to be "Forward Looking Statements" that describe our objective, plans or goals. All these forward looking statements are subject to certain risks and uncertainties, including, but not limited to, government action, local & global, political or economic developments, changes in legislation, technology risks, risk inherent in the Company's growth strategy, dependence on certain suppliers and other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements.

These forward looking statements included in this report are made only as on the date of this report and we undertake no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

### Industry Structure and Development

The Social Expressions Industry is still unorganized in India. There are number of small players whose operations are restricted in their respective regions. Besides them, there are very few serious players having nationwide presence. Greeting Cards are more of a fashion than culture in India and the Industry is driven by retailers and distributors rather than consumers.

The Company, which pioneered the concept in the Indian market, is the leader with more than 50% share of the organized sector.

Technology in the form of e-greeting, SMS and applications like facebook, Whatsapp had its toll on the growth of the greeting card business in general. However, this segment has the potential to bounce back.

The Company has developed into a gifting solution destination for the consumers and has enhanced its reach to come near to the Customers, with opening of retail outlets in various cities in India. As on 31.03.2019 the Company is having 218 company owned and operated retail outlets and is planning to open more stores.

This business is based on sentiments both at micro and macro level. There is visible growth across all sectors of the economy, which bodes very well for the resources sector.

### Opportunities and Threats

Your Company has decided to reorient its business strategy by shifting its focus on other verticals such as online platform and alternate selling channel for its Stationery Products. Having said that your Company will continue to consolidate its Pan-India footprint. The Company is now more focused towards sales optimization by creating value proposition for consumer.

As realty sector continues to be under stress and organized retailing is mushrooming in different parts of the country; your Company's constant endeavor is to tap most of the locations for deeper penetration. Additionally, your Company will continue to explore overseas markets that offer vast opportunities.

The technological evolution has brought us today's well known, E-Commerce. This catalyst of online trading has offered a great help to the online marketing industry and has changed the face of purchasing products and services. With the great help and lucrative abilities of E-Commerce it is known as one of the most important aspects of the internet to emerge and will continue its progress in the future. The benefits of E-Commerce like its around-the-clock availability, the wide opportunity of your products to customers, the speed and easy accessibility, plus the international reach will be on your hands.

Your Company understands that the business model that would run in future is by creating customer satisfaction and value creation for ensuring profitability and sustainability. Your Company is constantly endeavor is to serve the consumer better, faster and at less cost in ever changing environment.

### Risks and Concerns

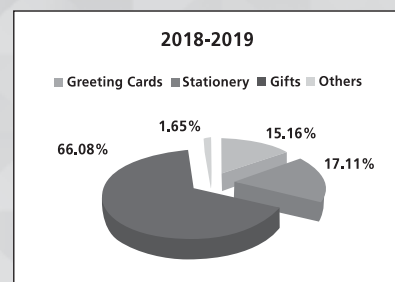
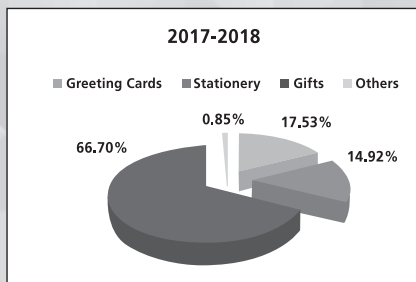
Macro-economic factors like a downturn in the economy, exchange rate fluctuation and, natural calamities are likely to affect the business industry at large and we are not untouched. Change in Government's fiscal policy also has a bearing on our performance. Large prevalence of unorganized players is another area of concern. High rental and shrinking store size is emerging as areas of concern. Change in fashion trends and consumer preference adversely affects the turnover of the Company. Intensifying competition in gifting segment also pose a probable risk to the Company.

### Product Wise Performance

The Turnover of the gift segment was Rs. 10489.83 lakhs during the year under review as compared to Rs. 10434.92 lakhs last year, increased by 0.53%. The Gifts segment contributed about 66.08% of the total turnover during the current year as compared to 66.70% in the previous year. The Greeting Cards sale was Rs. 2406.49 lakhs during the year under review as compared to Rs. 2742.43 lakhs last year, down by 12.25%. The contribution of greeting cards sales to the total turnover now stands at 15.16% as compared to 17.53% in the previous year.

The stationery items sale was Rs. 2716.84 Lakhs during the year under review as compared to Rs. 2333.67 Lakhs during the Last Year, increased by 16.42%. The contribution of Stationery items sales to the total turnover stands about 17.11% as compared to 14.92% in the previous year.

### Contribution of Segment in Total Sales



### Outlook

The Greeting Cards business during the year was again under pressure. But the company is working on various strategies to counter the negative effects. We are quite confident that greeting cards business should show positive signs in the coming years.

The turnover of the gift segment has been higher than the Greeting card and Stationery segment. Company is continuously making effort to add more products to perform better.

The stationary segment was increased by 16.42%. We are hopeful that this segment is going to perform better.

The company's efforts to open company owned / managed stores will continue in the upcoming shopping malls and High Streets across the country on selective basis. Your company has opened 25 Archies stores during the year and the total no of Archies Stores opened by your Company in PAN India as on 31.03.2019 is 218.

The main concentration is on the core business of greeting cards, gifts and retail, and every effort of the Company is aimed at maximizing the profitability of the company by introducing new products and ideas which gel with the company's core business.

### Internal Control Systems and their Adequacy

The Company has adequate Internal Control systems for business processes including components, packing material, trading goods, plants and machinery, equipment and other assets and with regard to the sale of goods. The internal control system is supplemented by an extensive internal audit, which is conducted by independent firm of Chartered Accountants. Internal audits are undertaken on a continuous basis covering various areas across the chain like manufacturing, operation, sales and distribution, marketing and value finance etc in all the branches of the Company. The Management and Audit Committee regularly review reports of the internal auditors, and corrective action initiated to strengthen the controls and enhance the effectiveness of the existing systems.

### Financial performance with respect to operating performance

The Company recorded Revenue from Operations of Rs. 16136.44 Lakhs for the financial year 2018-19 as compared to Rs. 15782.07 Lakhs in the previous year increased by 2.25%. The sale of gifts Segment was increased by 0.53%, Greeting Cards segment sale was decreased by 12.25% and Stationery segment were increased by 16.42% Inventory as on 31st March 2019 stands at Rs. 5,085.85 Lakhs, as against Rs. 5,177.57 Lakhs during previous year. Debtors as on 31st March 2019 stand at Rs. 1910.22 Lakhs as against Rs. 2199.17 Lakhs during the previous year.

### Human Resources / Industrial Relations

Industrial relations at Archies have always been cordial. This is because all employees, managers and workmen have always lived in the value of teamwork and belongingness. As in the earlier years, the industrial Relations continued to be cordial and amicable. All the employees of the Company continue to work as one cohesive Team devoted to a common goal of spreading happiness and prosperity.

As at March 31, 2019 the total employee strength of the Company stands at 1278.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor.**

Sr. No	Name of Ratio	Current Financial Year Ratio	Previous Financial Year Ratio	Percentage of Change in Ratio	Explanation therefor
1	Debtors Turnover Ratio	3.30	3.05	7.94	
2	Inventory Turnover Ratio	1.37	1.32	4.18	
3	Interest Coverage Ratio	1.27	(0.02)	6688.29	Ratio has shown positive change of more than 25% as compared to last year. Last year there was loss, which during the current year has improved and resulted in profits. This change has impacted this ratio significantly.
4	Current Ratio	1.75	1.82	(3.54)	
5	Debt Equity Ratio	0.43	0.41	4.19	
6	Operating Profit Margin	2.12	(0.03)	6256.97	Ratio has shown positive change of more than 25 % as compared to last year. Last year there was loss, which during the current year has improved and resulted in profits. This change has impacted this ratio significantly.
7	Net Profit Margin	0.45	(1.50)	129.97	Ratio has shown positive change of more than 25 % as compared to last year. Last year there was loss, which during the current year has improved and resulted in profits. This change has impacted this ratio significantly.

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof**

Sr. No	Name of Ratio	Current Financial Year Ratio	Previous Financial Year Ratio	Percentage of Change in Ratio	Explanation therefor
1	Return on Net Worth	0.69	(2.24)	130.98	Ratio has shown positive change of more than 25 % as compared to last year. Last year there was loss, which during the current year has improved and resulted in profits. This change has impacted this ratio significantly.

**Credit Rating**

The Credit Rating Agency "ICRA Limited" has revised the long term credit rating for Rs. 33.00 Crore bank lines of Archies limited for line of Credit (LOC) TO [ICRA] BBB (Pronounced as ICRA triple B) on 29th June, 2018 . The outlook on the long term rating has been revised from Negative to "Stable".

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor : Rs. 10,75,000/-**

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company recognizes its commitments of a transparent and good Corporate Governance keeping in mind the welfare of all its stakeholders'inter-alia shareholders, bankers, suppliers, employees and customers.

Your directors have always strived to live the values of trusteeship and your company has always realized its responsibilities and has set high standards of corporate governance.

To create shareholders wealth on a sustainable and long term basis, it is imperative for the management to institutionalize a 'Framework of Corporate Governance and Code of Practices' as an enabling methodology to strengthen decision-making process and enhance effective, harmonious and transparent functioning of the Board of Directors, its Committees and the executive management to meet challenges and to make the best of opportunities in the years ahead.

Even before the Code of Governance was made mandatory by SEBI, your Company had been maintaining good standards of corporate Governance.

Now, as the Code is in place, your Company will comply with the Code in letter and spirit.

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under

which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

### 2. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The Management of the Company is headed by the Managing Director and has business / functional heads as its members, which look after the management of the day-to-day affairs of the Company.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declarations from the Independent Directors under Section 149 (7) of the Companies Act, 2013, that they meet the criteria of independence laid down in section 149(6) of the Companies Act ,2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

### NON-EXECUTIVE DIRECTORS DISCLOSURES

The Non-Executive Directors of the Company are paid sitting fees as fixed by the Board of Directors within the limits prescribed under the Companies Act, 2013. There is no stock option scheme provided by the Company.

### A. COMPOSITION AND CATEGORY OF DIRECTORS:

The Board of your Company consists of persons with experience and expertise in their respective fields.

The Composition of the Board as at 31st March, 2019 is as follows:

Name of the Director	Category	Number of Shares held in the Company	*No. of Other Directorships Held as on 31-03-2019	#Committee memberships/ chairmanship held in other Companies as on 31-03-2019
Mr. Anil Moolchandani (Chairman-and-Managing-Director)	Promoter & Executive Director	-	Nil	Nil
Mr. Jagdish Moolchandani	Promoter & Executive Director	-	Nil	Nil
Mr. Dilip Seth [Director (Finance) & CFO]	Executive Director	-	Nil	Nil
Mr. Arun Singhal	Non-Executive Independent Director	-	2	Nil
Mr. Sunil Behl	Non-Executive Independent Director	1000	Nil	Nil
Mrs. Payal Jain	Non-Executive Independent Director	-	Nil	Nil

\* Number of directorships in other companies excludes directorships held in the Private Limited Companies, Foreign Companies and in Companies under Sec-8 of the Companies Act, 2013.

\* The Shareholding of Directors excludes Executive Directors.

# In accordance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Memberships/Chairmanships of only the Audit Committees and Stakeholders Relationship Committee have been considered.

The number of Directorships, Committee Memberships/ Chairmanships of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

None of the Directors on the Board are Members of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions including the changes in other listed companies as on 31 March, 2019 have been made by the Directors as per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

## B. APPOINTMENT AND TENURE

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

As regards the appointment and tenure of Independent Directors, following is the policy adopted by the Board:

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Independent Directors will serve a maximum of two terms of five years each.

The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

## C. BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 149(6) of the Companies Act, 2013.

## D. ATTENDANCE RECORD OF THE DIRECTORS AT BOARD MEETINGS AND ANNUAL GENERAL MEETING

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board meeting.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held at registered office and Corporate Office of the Company.

The Agenda of the Board / Committee meetings is set by the Company Secretary in consultation with the Chairman of the Company. The Agenda is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met four times during the year under review. Meetings were held on 23rd May, 2018, 10th August, 2018, 03rd November, 2018 and 06th February, 2019.

The attendance of the Directors at the meetings is as follows:

Name of the Director	No. of Board	Whether Attended
	Meetings	the AGM held on
	Attended	28/09/2018
Mr. Anil Moolchandani	4	Yes
Mr. Dilip Seth	4	Yes
Mr. ArunSinghal	4	Yes
Mr. Sunil Behl	4	Yes
Mr. Jagdish Moolchandani	4	Yes
Dr. Bhavna Chadha*	2	No
Mrs. Payal Jain*	2	Yes

\*Dr. Bhavna Chadha has resigned as an Independent Director of the Company w.e.f. 10.08.2018 and Mrs. Payal Jain has been appointed as an Independent Director of the Company w.e.f. 10.08.2018.

## E. BOARD BUSINESS

The normal business of the Board includes:

- framing and overseeing progress of the Company's annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation;
- reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- considering and approving declaration / recommendation of dividend;
- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board Remuneration Policy and individual remuneration packages of Directors;
- advising on corporate restructuring such as merger, acquisition, joint venture or disposals, if any;
- appointing Directors on the Board and Members of Management Committee;
- reviewing Corporate Social Responsibility policy of the Company and monitoring implementation thereof;
- reviewing details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;
- Monitoring and reviewing Board Evaluation framework.

## F. BOARD SUPPORT

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

## G. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 18th March, 2019 without the attendance of Non Independent Directors and members of management to:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## H. BOARD EVALUATION

The Nomination and Remuneration Committee of the Company approved Evaluation Policy during the year, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board as a whole; Board Committees and Directors shall be carried out on an annual basis.

During the year, the cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees and Directors. The exercise was led by the Non-Executive Chairman along with a Senior Independent Director of the Company. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and independent judgement.

The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

## I. KEY BOARD QUALIFICATION, EXPERTISE AND ATTRIBUTES

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the board is in compliance with the highest standards of corporate governance.

## DEFINITION OF DIRECTOR QUALIFICATIONS

### Financial

Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation, and financial reporting processes or experience in actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions

### Gender, ethnic, national, or other diversity

Representation of gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide.

### Global Business

Experience in driving business success in markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and a board perspective on global market opportunities.

### Leadership

Extended leadership experience for a significant enterprise, resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing talent, planning succession and driving change and long-term growth.

### Technology

A significant background in technology, resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.

### Mergers and Acquisitions

A history of leading growth through acquisitions and other business combinations, which the ability to assess 'build or buy' decisions, analyze the fit of a target with the Company's strategy and culture, accurately value transactions, and evaluate operational integration plans.

### Board Service and Governance

Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholders interests, and observing appropriate governance practices.

### Sales and Marketing

Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation

**In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill.**

Key Board Qualification								
Directors	Area of expertise							
	Financial	Diversity	Globe Business	Leadership	Technology	Mergers and Aquisitions	Board Service & Governance	Sale & Marketing
Mr. Anil Moolchandani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Dilip Seth	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Behl	✓	✓	✓	✓	-	✓	✓	-
Mr. Arun Singhal	✓	✓	✓	✓	-	✓	✓	-
Mr. Jagdish Moolchandani	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Payal Jain	✓	✓	✓	✓	-	✓	✓	-

### 3. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

#### MEETING OF BOARD COMMITTEES HELD DURING THE YEAR AND DIRECTOR'S ATTENDANCE:

##### Details of Committees:

Board Committees	Audit Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee
<b>Meeting Held</b>	4	1	4	3
Directors' Attendance				
Mr. Anil Moolchandani	N.A.	1	4	N.A.
Mr. Dilip Seth	N.A.	1	4	N.A.
Mr. Sunil Behl	4	1	N.A.	3
Mr. ArunSinghal	4	N.A.	4	3
Dr. Bhavna Chadha	2.	N.A.	N.A.	2
Mr. Jagdish Moolchandani	N.A.	N.A.	N.A.	N.A.
Mrs. Payal Jain	2	N.A.	N.A.	1

N.A. - Not a member of the Committee

\*Dr. Bhavna Chadha has resigned as an Independent Director of the Company w.e.f. 10.08.2018 and Mrs. Payal Jain has been appointed as an Independent Director of the Company w.e.f. 10.08.2018.

#### Familiarization Programme for Director

The Company has programme to familiarize Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the web link <http://www.archiesonline.com/htdocs/Details-of-Familiarization-Programme.pdf>

### A. AUDIT COMMITTEE

The company has constituted an Audit Committee comprising of three non-executive independent Directors, in accordance with the provisions of Regulation 18 of SEBI (Listing obligations and Disclosure Requirements), Regulations 2015 with the Stock Exchanges read with Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial/accounting expertise/exposure

#### I. COMPOSITION OF AUDIT COMMITTEE

COMPOSITION	CATEGORY
Mr. Sunil Behl (Chairman)	Non- Executive Independent Director
Mr. Arun Singhal	Non- Executive Independent Director
Mrs. Payal Jain*	Non- Executive Independent Director

\*Dr. Bhavna Chadha, member of the Committee resigned on 10 August, 2018. Further the vacancy created is filled by the appointment of Mr. Payal Jain, Non-Executive Independent Director of the Company as the Member of the Committee w.e.f. 10th August, 2018.

The Company Secretary acted as Secretary to the Committee.

#### II. TERMS OF REFERENCE

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management, the annual and periodical financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - Any changes in accounting policies and practices and reasons for the same.
  - Major account ingentries involving estimates based on exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Compliance with the Accounting Standards.
  - Disclosure of any related party transaction.
  - Qualifications in the draft audit report.
  - The going concern assumption.

- iv) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take steps in this matter.
- v) Reviewing and monitor the auditors independence and performance and effectiveness of audit process.
- vi) Approval or any subsequent modification of transactions of the company with related parties.
- vii) Scrutiny of inter-corporate loans and investments
- viii) Valuation of undertaking or assets of the company, wherever it is necessary
- ix) Evaluation of internal financial controls and risk management systems.
- x) Reviewing with the management, performance of statutory and internal auditors, and adequacy of internal control systems.
- xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- xii) Discussion with internal auditors, any significant findings and follow-up there on.
- xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- xv) To look in to the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- xvi) To review the functioning of the Whistle Blower mechanism.
- xvii) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- xviii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- xix) Reviewing the following information:
  - a) Management discussion and analysis is of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weakness; and
  - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### III. MEETING DETAILS DURING THE YEAR

During the financial 2018-19, four audit committee meetings were held on 23rd May 2018, 10th August 2018, 03rd November 2018 and 06th February, 2019.

### B. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS

#### I COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in accordance with the Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with section 178 of Companies Act 2013.

COMPOSITION	CATEGORY
Mr. Sunil Behl (Chairman)	Non- Executive Independent Director
Mr. Arun Singhal	Non- Executive Independent Director
Mrs. Payal Jain*	Non- Executive Independent Director

\*Dr. Bhavna Chadha, member of the Committee resigned on 10 August, 2018. Further the vacancy created is filled by the appointment of Mr. Payal Jain, Non-Executive Independent Director of the Company as the Member of the Committee w.e.f. 10th August, 2018.

The Company Secretary acted as Secretary to the Committee.

#### II. TERMS OF REFERENCE

- i) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criterial aid down and to recommend to the Board their appointment and / or removal.
- ii) To carry out evaluation of every Director's performance.
- iii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- iv) To formulate the criteria for evaluation of Independent Directors and the Board.
- v) Devising a policy on Board diversity.
- vi) To recommend/review remuneration of the Managing Director (s) and Whole Time Director(s) based on their performance and defined assessment criteria.
- vii) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

The Performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated.

### III. MEETING DETAILS DURING THE YEAR

In the Financial year 2018-19, three meetings of the Nomination & Remuneration Committee were held on 23rd May, 2018, 10th August, 2018 & 06th February, 2019.

Share holders of the Company at the Annual General Meeting approved the remuneration of the executive directors from time to time.



## Directors' Remuneration

### Remuneration policy

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure D to the Directors' Report. Further the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Director.

Details of remuneration/sitting fees paid to the Directors during the financial year 2018-2019 :

#### Executive Directors

(₹ in Lakhs)

Particulars	Mr. Anil Moolchandani (Chairman-and-Managing Director)	Mr. Jagdish Moolchandani (Executive Director)	Mr. Dilip Seth (Director Finance & CFO)
Salary & Allowances	30.65100	20.45100	22.93228
Contribution to Provident Fund	0.21600	0.21600	0.21600
Total	30.86700	20.66700	23.14828
Service Contract	Two Year w.e.f. 29/06/2017	Three Years w.e.f. 10/08/2016	Two Year w.e.f. 05/08/2017
Notice Period	Three months by either party	Three months by either party	Three months by either party

#### NON-EXECUTIVE DIRECTORS

The company pays sitting fee to all Non-Executive Directors for attending meetings of the Board and its committees. The details of the sitting fees paid to the Non-Executive Directors during the financial year 2018-19 are given below :

Directors	Sitting Fees (₹ in Lakhs)
Mr. Sunil Behl	0.70
Mr. Arun Singhal	0.65
Dr. Bhavna Chadha	0.35
Mrs. Payal Jain	0.38
<b>Total</b>	<b>2.08</b>

#### Board Membership Criteria

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- Desired age and diversity on the Board;
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- Professional qualifications, expertise and experience in specific area of business;
- Balance of skills and expertise in view of the objectives and activities of the Company;
- Avoidance of any present or potential conflict of interest;
- Availability of time and other commitments for proper performance of duties;
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

In line with the Evaluation Policy of the Company, the Nomination and Remuneration Committee considers the outcome of the annual Evaluation before recommending the changes in the remuneration of the Executive Directors and appointment/re-appointment of Directors.

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

##### I. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is Constituted in accordance with the Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 read the section 178 of Companies Act 2013.

COMPOSITION	CATEGORY
Mr. Arun Singhal (Chairman)	Non Executive Independent Director
Mr. Anil Moolchandani	Promoter and Executive Director
Mr. Dilip Seth	Executive Director

The Company Secretary acted as Secretary to the Committee.

##### II. TERMS OF REFERENCE

The Committee is primarily responsible for addressing the investor complaints and grievances. The role of the Committee is in accordance with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements), Regulations 2015. It primarily includes:

- To look into complaints received from shareholders like transfer of shares, non-receipt of annual report, non-receipt of dividend or any other complaints.
- To look, consider & resolve the redressal of grievances of share holders.
- Four meetings of the Committee were held as on 04 th April, 2018, 20th July, 2018, 20th October, 2018 & 05th January 2019.
- Status Report of Investor's Grievances i.e. revalidation of dividend warrant, non-receipt / pending dividend, change of address, change of mandate, non receipt of shares and miscellaneous as on March 31, 2019 is as under:

No. of Complaints opening	Nil
No. of Complaints received	3
No. of Complaints resolved	3
No. of Complaints pending	Nil

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee's primary responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy'.

## I. COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

COMPOSITION	CATEGORY
Mr. Arun Singhal (Chairman)	Non Executive Independent Director
Mr. Anil Moolchandani	Promoter and Executive Director
Mr. Dilip Seth	Executive Director

## II. TERMS OF REFERENCE

The CSR Committee has, inter alia, the following mandate:

- Formulate and recommend to the Board of Directors of the Company, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Recommended the amount of expenditure to be incurred on the activities referred to in clause (i); and
- Monitor the Corporate Social Responsibility policy of the Company from time to time.

## 4. GENERAL BODY MEETINGS

The venue and time of the last three Annual General Meetings are as per details given hereunder:

Date	Venue	Time	No. of Special Resolutions passed
28th September, 2018	Manesar Club, Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	1. Appointment of Mrs. Payal Jain as an Independent Director of the Company
28th September, 2017	Auditorium, HSIIDC Limited, HSIIDC Office Complex, IMT Manesar, Gurugram, Haryana – 122052	11.00 A.M.	2. Reappointment of Mr. Dilip Seth as Director (Finance) & CFO of the Company 3. Reappointment of Mr. Anil Moolchandani as Chairman and Managing Director of the Company
28th September, 2016	Manesar Club, Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	1. Reappointment of Mr. Deepak Thakkar as Non-Executive Director of the Company 2. Reappointment of Mr. Dilip Seth as Director (Finance) & CFO of the Company 3. Reappointment of Mr. Anil Moolchandani as Chairman and Managing Director of the Company 4. Appointment of Mr. Jagdish Moolchandani as Director (Executive) of the Company

## Special Resolution Passed Through Postal Ballot

No special resolution was passed through postal ballot during the financial year ended 2018-19.

## 5. DISCLOSURES

The Company has not entered into any transaction of material nature with the promoters, the Directors or the management, their subsidiaries or relatives etc. that may have any potential conflict with the interests of the Company.

However, the particulars of transactions between the Company and related parties are provided in the Notes to the Accounts in the financial statements

Risks are identified across all business process of the company on going basis and they are systematically categorized. Each risk when identified is mapped to the concerned department for further action.

- One meeting of the CSR Committee was held as on 23rd May 2018.

The CSR Committee charter and the CSR Policy of the Company are available on our website <http://www.archiesonline.com/htdocs/csr.pdf>.

## III. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no Materially Significant related Party Transaction or relationship between the Company and its Directors, Management, or Relatives.

There has not been any non-compliance by the company and no penalty or strictures imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority on any matters relating to capital markets during the last three years.

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

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower policy / vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee.

During the year under review, no employee was denied access to the Audit Committee. The link of the Policy is [www.archiesonline.com/htdocs/whistle-blower-Policy-ARCHIES-LIMITED.pdf](http://www.archiesonline.com/htdocs/whistle-blower-Policy-ARCHIES-LIMITED.pdf). The weblink for the Policy of Related party transactions [www.archiesonline.com/htdocs/transactionPolicy.pdf](http://www.archiesonline.com/htdocs/transactionPolicy.pdf)

The Management discussion and analysis report forms part of Directors' Report.

## 6. COMPANY POLICIES AND CODES

### Whistle Blower Policy

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided dedicated e-mail addresses [vigilmechanism@archiesonline.com](mailto:vigilmechanism@archiesonline.com) for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company, are reported to the Committee of Executive Directors and are subject to the review of the Audit Committee. The Whistle Blower Policy is available on the website of the Company. Weblink is as follows:

<https://www.archiesonline.com/public/htdocs/Whistle-blower-policy-ARCHIES-LIMITED.pdf>

### Code of Conduct for the members of the Board and Senior Management

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members and the Management Committee. The Board has adopted the Code of Conduct for the members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the Directors are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The Code also restricts Directors from accepting any gifts or incentives in their capacity as a Director of the Company.

The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of Business Principles of the Company. A copy of the said Code of Conduct is available on the website of the Company at [weblinkhttps://www.archiesonline.com/about-archies/code-of-conduct](http://www.archiesonline.com/about-archies/code-of-conduct).

### Policy on dealing with Related Party Transactions

The Company has not entered in any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a

Policy on Related Party Transactions which is also available at Company's website at weblink <https://www.archiesonline.com/public/htdocs/transaction-Policy.pdf>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. Transactions with related parties as per Ind AS-24 have been disclosed in the notes forming part of Financial Statements. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length.

## 7. CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY INSIDERS

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to restrict insider trading activity.

The Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Board of Directors of the Company have Code, in line with new SEBI (Prohibition of Insider Trading) Regulations, 2015.

The details of dealing in Company's shares by Specified Employees (which include members of the Management Committee and Directors) are placed for intimating the Board on quarterly basis. The Code also prescribes sanction framework and any instance of breach of code is dealt with in accordance with the same. A copy of the Code of the Company is made available to all employees of the Company and compliance of the same is ensured. The Code of Conduct to Regulate, Monitor and Report Trading by Insiders is available on the website of the Company at weblink [https://www.archiesonline.com/public/htdocs/INSIDER-TRADING\\_POLICY\\_REG8.pdf](https://www.archiesonline.com/public/htdocs/INSIDER-TRADING_POLICY_REG8.pdf).

## 8. PREVENTION OF INSIDER TRADING

During the year, the Company has adopted the following revised Codes in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018:

- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and
- Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in Securities of the Company

The amended policy is available on our website at [www.archiesonline.com/about-archies/code-of-conduct](http://www.archiesonline.com/about-archies/code-of-conduct).

## 9. AFFIRMATION AND DISCLOSURE

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2019 and a declaration to that effect, signed by the Whole Time Director and Executive Director is annexured as Annexure-B and forms part of this Corporate Governance.

There were no materially financial or commercial transaction, between the Company and members of the Management Committee that may have a potential conflict with the interest of the Company at large.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

### DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE

There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three year.

None of these cases are material in nature, which may lead to material loss or expenditure to the Company.

### DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 (1) OF THE SEBI (LODR) REGULATIONS, 2015

The Company has not disclosed and adopted the discretionary requirements as specified in Part-E of Schedule II under SEBI (LODR) Regulations, 2015.

### COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (B) TO (I) OF SUB-REGULATION (2) OF REGULATION 46

The Company has made compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46.

### CEO and CFO Certification

The Certificate required under Regulation 17(8) of the Listing Regulations, duly signed by the Managing Director and CFO was placed before the Board. The same is annexed as Annexure-C to this report.

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as Annexure-D to this Corporate Governance Report.

### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

As required under Regulation 34 of the Listing Regulations, the auditors' certificate on Corporate Governance is annexed as Annexure-A this report.

### COMPLIANCE WITH THE GOVERNANCE FRAME WORK

The Board of Directors periodically reviewed the compliance of all applicable laws and steps taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance

with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, the Company has also adopted the following requirements to the extent mentioned below:

- **Audit qualifications:** Company's financial statements have unmodified opinion.
- **Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.

### Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid only sitting fee. No stock options were granted to Non-Executive Directors during the year under review.

During the year, there no other pecuniary relationship or transactions has taken place between the Company and Non-Executive Directors of the Company.

Independent Directors of the Company are not serving as Independent Directors in more than seven listed companies.

None of Whole Time Director of the Company serves as Independent Director in more than three listed companies.

Terms and conditions of appointment of independent directors have been disclosed on website of the Company [www.archiesonline.com](http://www.archiesonline.com).

### Relationship between directors inter-se

Inter-se relationship between Directors is given below within the meaning of the term "relative" as per Section 2(77) of the Companies Act, 2015 and read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Sr. No.	Name of Director	Designation	Relationship with other Directors
1.	Mr. Anil Moolchandani	Chairman and Managing Director	Brother of Mr. Jagdish Moolchandani
2.	Mr. Dilip Seth	Director (Finance) & CFO	-
3.	Mr. Sunil Behl	Non-Executive & Independent Director	-
4.	Mr. Arun Singhal	Non-Executive & Independent Director	-
5.	Mrs. Payal Jain	Non-Executive & Independent Director	-
6.	Mr. Jagdish Moolchandani	Director (Executive)	Brother of Mr. Anil Moolchandani

Number of shares and convertible instruments held by non-executive directors: Mr. Sunil Behl, Non-Executive Independent Directors held 1000 shares of the Company.

## SECRETARIAL STANDARDS AND SECRETARIAL AUDIT REPORT

The Company has undertaken Secretarial Standards Audit for the year 2018-19 for audit of secretarial records and procedures followed by the Company in compliance with relevant Secretarial Standards issued by the Institute of Company Secretaries of India.

The Company has also undertaken Secretarial Audit for the year 2018-19 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Regulations and Guidelines prescribed by the Securities and Exchange Board of India. The Secretarial Audit Report is part of this Annual Report.

### 10. OTHER POLICIES

In order to promote the highest level of Ethical Standards and abidance of the Compliance, your Company under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 made the following policies:-

- i) Archival Policy-The Policy deals with the retention and archival of complete records of the Company. The Policy of the Company is placed on the website and its link is [www.archiesonline.com/htdocs/ArchivalPolicy.pdf](http://www.archiesonline.com/htdocs/ArchivalPolicy.pdf)
- ii) Policy for Preservation of Documents - The purpose of the Policy is to specify the document(s) and the time period for preservation there of based on the classification. The Policy is Placed on the website of the Company and the link for the same is [www.archiesonline.com/htdocs/preservation.pdf](http://www.archiesonline.com/htdocs/preservation.pdf)
- iii) Policy for Determination of Materiality-The Policy was framed in Compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, placed on the website of the Company and the link for the same is [www.archiesonline.com/htdocs/policymateriality.pdf](http://www.archiesonline.com/htdocs/policymateriality.pdf)

### 11. MEANS OF COMMUNICATION

The Company regularly intimates un-audited as well as audited financial results to the Stock Exchanges for dissemination immediately after these are taken on-record by the Board.

The financial results of the Company are generally published in leading financial daily as well as in a regional language newspaper and are displayed on the Company's website, [www.archiesonline.com](http://www.archiesonline.com).

Besides, financial results the Company also keeps its share holders updated about material events and plans through appropriate mode of communication.

### 12. INVESTOR COMMUNICATIONS / GRIEVANCE REDRESSAL E-MAIL ID:

Long pending litigations involve significant investment as monetary value of the disputed shares and accrued dividends / other benefits are locked up unutilised till the dispute is settled. Further, in terms of the requirements of the Companies Act, 1956, such dividends / other specified incomes remaining unclaimed / unpaid for a period of seven years are to be credited to the Investor Education and Protection Fund and the Shareholders are not entitled to claim the same there after.

The Shareholders who are willing to avail the benefits of Alternative Dispute Redressal mechanism may approach the Investor Service Department of the Company at the Registered Office of the Company or email your query/complaint at [cs@archiesonline.com](mailto:cs@archiesonline.com).

## 13. GENERAL SHAREHOLDERS' INFORMATION

### A. Annual General Meeting

Date	27th September, 2019
Time	11.00 A.M.
Venue	Manesar Club, Sector-5, IMT Manesar Gurgaon, Haryana-122050

### B. Financial Calendar

Financial Year	April 1 to March 31
During the year ended March 31, 2019, results were published on the following dates :	
Annual Audited Financial	23rd May 2018 Results (Mint all Edition and Jansatta (Hindi), Delhi Edition)
First Quarter Results	10th August 2018 (Mint all Edition and Jansatta (Hindi), Delhi Edition)
Second Quarter Results	03rd November, 2018 (Business Standard all Edition and Jansatta (Hindi), Delhi Edition)
Third Quarter Results	06th February 2019 (Mint all Edition and Jansatta (Hindi), Delhi Edition)

The results are displayed on the website of the Company at [www.archiesonline.com](http://www.archiesonline.com)

### C. Book Closure Dates

21st September, 2019 to 27th September, 2019  
(Both Days Inclusive)

### D. Dividend Payment Dates

No dividend is proposed by management for the financial year 2018-19.

### E. Listing on Stock Exchange

The company's shares are listed on the following stock exchanges:-

#### National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor, Plot No. C/1 G Block, Bandra Kurla Complex, Bandra(E), Mumbai - 400051

#### The Bombay Stock Exchange Ltd,

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

The Company has paid listing fee to National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. for the year 2019-20.

### F. StockCode

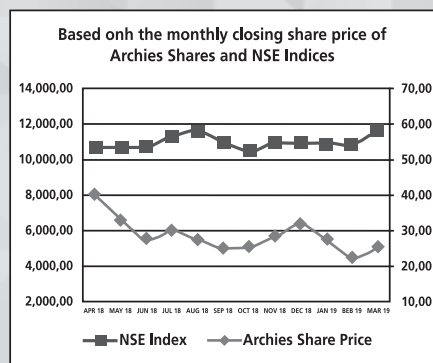
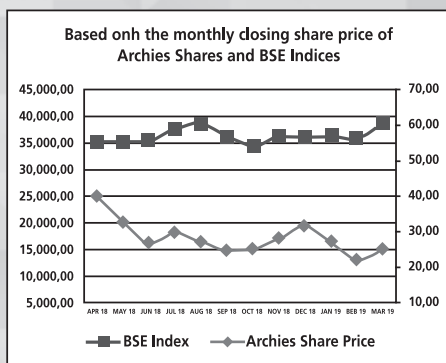
The Bombay Stock Exchange Ltd.	532212
National Stock Exchange of India Ltd.	ARCHIES
ISIN NO.	INE731A01020

## G. Market Price Data

Monthly high & low price of shares of your Company and No. of Shares traded at BSE Limited and National Stock Exchange of India Limited are as under:

Month	BSE			NSE		
	High Price	Low Price	No.of Shares traded	High Price	Low Price	No.of Shares traded
April, 2018	46.45	31.85	1975337	46.40	32.00	13042496
May, 2018	40.00	30.55	286867	40.00	31.15	1311331
June, 2018	33.95	25.50	152057	33.50	26.50	666934
July, 2018	31.00	26.10	145133	31.75	25.90	626347
August, 2018	34.10	25.70	192630	33.00	26.95	1366398
September, 2018	30.90	24.15	130323	30.85	23.50	1174033
October, 2018	27.50	23.00	129917	27.30	22.10	874614
November, 2018	30.00	24.00	110652	29.70	25.55	964466
December, 2018	40.00	27.00	486468	40.70	26.20	4137575
January, 2019	31.95	26.00	276551	32.25	25.95	1939476
February, 2019	28.60	20.50	199472	29.25	20.40	1463828
March, 2019	26.20	22.20	103042	26.70	21.00	1045388

## H. Performance in comparison to broad based indices



Based on the monthly closing data of Archies Share Price and BSE Sensex

### I. Registrar and Transfer Agent

The name and address of Registrar and Transfer Agent is as under:

LINK INTIME INDIA (PRIVATE LIMITED)

Noble Heights, 1st floor,  
Plot No NH-2, C-1 Block, LSC,  
Near Savitri Market, Janakpuri,  
New Delhi - 110058

Tel : 011 - 4141 0592/93/94

Telefax : 011 - 4141 0591

Email : delhi@linkintime.co.in

Contact Person: Mr. Swapan Kumar

Based on the monthly closing data of Archies Share Price and NSE Index

### J. Share Transfer System

With a view to expediting the process of share transfers, the Board has delegated the powers to "Stakeholder's Relationship Committee" which meets very frequently depending upon the number of requests for Share Transfer received and shares are transferred within the stipulated time provided the document are complete in all respects.

Shares Certificate for transfer can be lodged by the shareholders with our Registrar and Transfer Agent at the above-mentioned address.

**K. Distribution of Shareholdings:**

Category	AS ON MARCH 31							
	2019				2018			
	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shareholders	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shareholders
1 – 500	13,016	78.4333	20,08,963	5.9472	13,154	78.3863	20,32,680	6.0174
501 -1000	1,842	11.0997	16,07,866	4.7598	1,838	10.9529	16,08,206	4.7608
1001 – 2000	812	4.8930	13,02,182	3.8549	802	4.7792	12,98,361	3.8436
2001 – 3000	312	1.8801	8,16,535	2.4172	325	1.9367	8,61,532	2.5504
3001 – 4000	161	0.9702	5,90,882	1.7492	145	0.8641	5,39,652	1.5975
4001 – 5000	134	0.8075	6,46,241	1.9131	165	0.9833	7,99,191	2.3659
5001 – 10000	178	1.0726	13,37,487	3.9594	179	1.0667	13,72,840	4.0641
10001 & above	140	0.8436	2,54,69,844	75.3992	173	1.0309	2,52,67,538	74.8003
<b>Total</b>	<b>16595</b>	<b>100.00</b>	<b>33,78,0000</b>	<b>100.00</b>	<b>16,781</b>	<b>100.00</b>	<b>33,78,0000</b>	<b>100.00</b>

**L. Categories of Shareholders:**

Category	AS ON MARCH 31						
	2019			2018			
	No. of Shareholders	No. of Shares Hold	% of total Share	No. of Shareholders	No. of Share Hold	% of total Share	
Individual	15,260	98,94,494	29.29	15,815	100,03,426	29.61	
Body Corporate/Clearing Member/Trusts/H.U.F	600	25,70,027	7.6	737	26,73,195	7.9	
NRI/S/OBCs/FIIs/FFIs	206	3,77,320	1.12	214	4,58,369	1.39	
Mutual Funds/Banks/ Insurance Company/FIs	8	2,09,352	0.62	4	1,33,910	0.39	
Promoter	8	2,07,22,307	61.34	8	2,05,04,600	60.70	
Director	3	6,500	0.02	3	6500	0.01	
<b>Total</b>	<b>16,085</b>	<b>3,37,80,000</b>	<b>100.00</b>	<b>16,781</b>	<b>3,37,80,000</b>	<b>100.00</b>	

**M. Dematerialization of shares and liquidity**

As on 31st March 2019, 86.02 % of total shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) and 13.37% with Central Depository Services (India) Limited (CDSL). Only 0.61% of the total shareholding is held in physical form as on 31st March 2019.

The Company's shares are regularly traded on BSE and NSE.

**N. Outstanding GDR/ADR/Warrant or any convertible instruments, conversion date and impact on equity**

NA

**O. Plant Location**

The plant is located at Plot No. 191F, Sector-4, IMT Manesar, Gurugram, Haryana

**P. Address for correspondence**

ARCHIES LIMITED  
C-113, Naraina Industrial Area  
Phase-1, New Delhi -110028  
Tel: 011-40402222,41410000  
Email: cs@archiesonline.com

For and on behalf of the Board

Place: New Delhi  
Dated: 10th August, 2019

**Anil Moolchandani**  
Chairman & Executive Director  
(DIN : 00022693)

## **ANNEXURE-A**

### **INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of

#### **ARCHIES LIMITED**

1. This certificate is issued in accordance with the terms of our engagement dated 08 August 2019.
2. We have examined the compliance of conditions of Corporate Governance by Archies Limited ("the Company"), for the year ended on 31 March, 2019, as stipulated in regulations 17 to 27, Clauses (b) to (i) of regulation 46(2) and paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

#### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the Listing Regulations.

#### **Auditors' Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance, as stipulated in the Listing Regulations. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Chartered Accountants of India ("the ICAI") and the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### **Opinion**

7. Based on the procedures performed by us and according to the best of our information and according to the explanations provided to us by the Management, in our opinion, the Company has complied, in all material respects, with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended 31 March, 2019.

We 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.

#### **Restriction on Use**

8. This certificate is addressed to and provided to the members of the Company for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person of any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Place: New Delhi  
Date: 10 August, 2019

For and on behalf of  
**J. P. KAPUR & UBERAI**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 000593N)

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



## **ANNEXURE-B**

### **DECLARATION REGARDING COMPLIANCE BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND MANAGEMENT.**

This is to confirm that the Company has adopted a code of conduct for its Directors and Senior Management personnel of the Company as required and as per the Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The Code is available on Company's website.

This is further confirmed that the company has in respect of the financial year ended March 31, 2019 received from the senior management personnel and members of the Board of Directors, a declaration of compliance with the Code of Conduct as applicable to them for the year ended March 31, 2019.

**Place: New Delhi**  
**Date: August 10, 2019**

**Anil Moolchandani**  
**Chairman and Executive Director**

**Dilip Seth**  
**Director (Finance) & CFO**

## **ANNEXURE-C**

### **CEO AND CFO CERTIFICATION**

We, The Board of Directors of Archies Limited certify that:

- (A) We have reviewed the financial statements and cash flow statements for the year ended 31st March, 2019 and to the best of our knowledge and belief these statements:
1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (C) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee, and steps have been taken or proposed to be taken to rectify these deficiencies.
- (D) We have indicated to the auditors and the Audit Committee that:
- (1) there has not been any significant change in internal control over financial reporting during the year;
  - (2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (3) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Place : New Delhi**  
**Date : May 28, 2019**

**Dilip Seth**  
**Director (Finance) & CFO**

**Anil Moolchandani**  
**Chairman & Managing Director**

## ANNEXURE-D

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of Archies Limited  
(CIN: L36999HR1990PLC041175)  
Plot no 191 F,  
Sector-4, IMT Manesar,  
Gurgaon – 122050, Haryana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Archies Limited having CIN: L36999HR1990PLC041175) and having registered office at Plot no 191 F, Sector-4, IMT Manesar, Gurgaon – 122050, Haryana (hereinafter referred to as **‘the Company’**), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

DIN	Full Name	Date of Appointment
00016718	Jagdish Moolchandani	10/08/2016
00022693	Anil Moolchandani	22/05/1990
00025616	Arun Singhal	28/03/2002
00051383	Sunil Behl	28/03/2002
06640936	Dilip Seth	07/08/2013
08190694	Payal Jain	10/08/2018

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 18th July, 2019

Naveen Shree Pandey  
Membership No.: FCS-9028  
CP No.: 10937

## 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><b>Recoverability of Insurance Claim Filed</b></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><b>Principal Audit Procedure</b></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.
  - (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 5 December, 2018	Date of Demand Draft 30 November, 2018	Date of Deposit 17 December, 2018
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**For J. P., KAPUR & UBERAI**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 000593N)

Place: Gurugram  
Date: 28 May, 2019

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

## 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.
- (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:-

<b>Nature of the Statutory Dues</b>	<b>Amount (₹ in Lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
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.
- 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)

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.

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

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

Place: Gurugram  
Date: 28 May, 2019



## BALANCE SHEET AS AT 31 MARCH 2019

(₹ in Lakhs)

	Particulars	Notes	31 March 2019	31 March 2018
	<b>ASSETS</b>			
1)	<b>Non-Current Assets</b>			
	Property, Plant and Equipment	3	7,521.78	7,553.72
	Capital work-in-progress	4	32.67	9.75
	Financial Assets	5		
	Other Financial Assets		842.13	748.45
	Other Non Current Assets	6	246.00	192.85
	Current Income Tax (Net)		87.75	90.13
2)	<b>Current Assets</b>			
	Inventories	7	5,085.85	5,177.57
	Financial Assets	8		
	(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	9	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	10	675.62	675.62
	Other Equity	11	11,125.24	11,079.16
	<b>LIABILITIES</b>			
1)	<b>Non-Current Liabilities</b>			
	Financial Liabilities			
	Other Financial Liabilities	12	89.60	87.72
	Deferred Tax Liabilities (Net)	13	230.07	240.23
	Provisions	14	54.93	37.51
	Other Non-Current Liabilities	15	35.93	60.36
2)	<b>Current Liabilities</b>			
	Financial Liabilities	16		
	(a) Borrowings		1,601.61	1,579.66
	(b) Trade Payables			
	total outstanding dues of micro enterprises and small enterprises		48.88	2.19
	total outstanding dues of creditors other than micro enterprises and small enterprises		1,235.12	1,131.13
	(c) Other Financial Liabilities		1,451.05	1,342.81
	Other Current Liabilities	17	222.31	275.42
	Provisions	18	77.56	67.96
	<b>Total Equity and Liabilities</b>		<b>16,847.92</b>	<b>16,579.77</b>

See accompanying notes to the financial statements

As per our report of even date attached  
for J. P., KAPUR & UBERAI  
Chartered Accountants  
(Firm Registration No.000593N)

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

Place: Gurugram  
Date: 28 May 2019

For and on behalf of the Board of Directors

Anil Moolchandani  
Chairman and Managing Director

Dilip Seth  
Director (Finance) and CFO

Gautam  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in Lakhs)

Particulars	Notes	31 March 2019	31 March 2018
<b>I. INCOME</b>			
<b>Revenue from operations</b>			
Sale of Products (including excise duty)		15,874.85	15,644.28
Other Operating Revenue	19	261.59	137.79
<b>Revenue from Operations</b>		<b>16,136.44</b>	<b>15,782.07</b>
Other income	20	183.84	202.16
<b>Total Revenue</b>		<b>16,320.28</b>	<b>15,984.23</b>
<b>II. EXPENSES</b>			
Cost of materials consumed	21	1,100.31	872.83
Purchases of Traded Goods	22	5,098.92	4,582.88
Changes in Inventories of Manufactured Goods, Work-in-Progress and Traded Goods	23	(334.37)	285.62
Employee benefits expense	24	3,187.89	3,141.23
Other expenses	25	6,519.22	6,630.01
<b>Total Expenses</b>		<b>15,571.97</b>	<b>15,512.57</b>
<b>III. Earning before Interest, Depreciation, Tax and Amortisation (EBITDA)</b>			
Finance costs	26	748.31	471.66
Depreciation	3	269.79	282.35
		357.56	402.96
Loss on Sale/Deletion of Property, Plant and Equipment		48.29	74.14
<b>Net Profit before Tax</b>		<b>72.67</b>	<b>(287.79)</b>
<b>IV. Tax expense</b>			
Current tax		14.96	-
Deferred tax	13	0.06	(50.83)
MAT Credit Entitlement		(14.96)	-
<b>V. Profit/(Loss) for the year</b>		<b>72.61</b>	<b>(236.96)</b>
<b>VI. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Changes in revaluation surplus		-	1,488.38
Income tax related to the above adjustment		-	(177.28)
Remeasurements Gains / (Losses) of defined benefit plans		(36.75)	9.45
Income tax related to the above adjustment	13	10.22	(2.63)
<b>Total</b>		<b>(26.53)</b>	<b>1,317.92</b>
<b>VII. Total Comprehensive Income for the year</b>		<b>46.08</b>	<b>1,080.96</b>
Earnings per equity share			
Basic	37	0.21	(0.70)
Diluted		0.21	(0.70)

See accompanying notes to the financial statements

As per our report of even date attached  
for J. P., KAPUR & UBERAI  
Chartered Accountants  
(Firm Registration No.000593N)

For and on behalf of the Board of Directors

Anil Moolchandani  
Chairman and Managing Director

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

Place: Gurugram  
Date: 28 May 2019

Dilip Seth  
Director (Finance) and CFO

Gautam  
Company Secretary

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

		(₹ in Lakhs)
	31 March 2019	31 March 2018
Equity Share Capital (Refer Note No 10)	675.62	675.62
	<b>675.62</b>	<b>675.62</b>

(₹ in Lakhs)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Revaluation Reserve	Retained Earnings	
<b>Balance as at 01 April 2017</b>	<b>159.50</b>	<b>737.96</b>	<b>5,113.77</b>	<b>-</b>	<b>3,983.92</b>	<b>9,995.15</b>
Add: Previous Years' Tax Adjustments					4.42	4.42
Changes in revaluation surplus (Net of Taxes)				1,311.10		1,311.10
Remeasurements of net defined benefit liability/ asset (Net of taxes)					6.82	6.82
Less: Provision for CSR u/s section 135 of Companies Act 2013.					(1.37)	(1.37)
(During the year ₹ 9 were spent on CSR Activities (31 March 2017 ₹ 4.50)						
Profit / (Loss) for the year					(236.96)	(236.96)
<b>Balance as at 31 March 2018</b>	<b>159.50</b>	<b>737.96</b>	<b>5,113.77</b>	<b>1,311.10</b>	<b>3,756.83</b>	<b>11,079.16</b>
Remeasurements of net defined benefit liability/ asset (Net of taxes)					(26.53)	(26.53)
Profit / (Loss) for the year					72.61	72.61
<b>Balance as at 31 March 2019</b>	<b>159.50</b>	<b>737.96</b>	<b>5,113.77</b>	<b>1,311.10</b>	<b>3,802.91</b>	<b>11,125.24</b>

See accompanying notes to the financial statements

For and on behalf of the Board of Directors

As per our report of even date attached  
for J. P., KAPUR & UBERAI  
Chartered Accountants  
(Firm Registration No.000593N)

Anil Moolchandani  
Chairman and Managing Director

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

Place: Gurugram  
Date: 28 May 2019

Dilip Seth  
Director (Finance) and CFO

Gautam  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before Taxation and Extraordinary Items	72.67	(287.79)
Adjustments for :		
Add :		
Depreciation	357.56	402.96
Interest paid	202.06	204.80
Loss (net of profit) on Sale / Disposal of Property, Plant and Equipment	48.29	74.14
<b>Less :</b>		
Interest Income received	(8.36)	(8.06)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>672.22</b>	<b>386.05</b>
Adjustments for :		
Decrease/(Increase) in Trade Receivables	288.95	(203.49)
Decrease/(Increase) in Inventories	91.72	509.92
Decrease/(Increase) in Other Financial Assets and Other Current Assets	(490.82)	(70.82)
Increase/ ( Decrease) in Trade Payable	150.68	174.84
Increase/ ( Decrease) in Other financial liabilities, other liabilities and provisions	21.35	(420.72)
Direct Taxes (paid) / income tax refund	(12.58)	43.42
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>721.52</b>	<b>419.20</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payments towards Capital Expenditure	(578.56)	(378.95)
Proceeds From Sale of Property, Plant and Equipment	125.13	9.74
Redemption / (Investment) in Fixed Deposits having maturity of more than three months	(11.36)	2.28
Interest Income received	8.36	8.06
<b>NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)</b>	<b>(456.43)</b>	<b>(358.87)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (net)	-	(75.00)
Proceeds from Short Term Borrowings (net)	21.95	222.48
Interest paid on loan	(202.06)	(204.80)
Dividend Paid (Including Tax on Dividend)	0.75	(1.58)
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)</b>	<b>(179.36)</b>	<b>(58.90)</b>
Net Increase/ (Decrease) in Cash And Cash Equivalents (A) + (B) + (C)	85.73	1.43
Cash and Cash Equivalents (Opening)	78.41	76.98
<b>Cash and Cash Equivalents (Closing)</b>	<b>164.14</b>	<b>78.41</b>

See accompanying notes to the financial statements

As per our report of even date attached  
for J. P., KAPUR & UBERAI  
Chartered Accountants  
(Firm Registration No.000593N)

For and on behalf of the Board of Directors

Anil Moolchandani  
Chairman and Managing Director

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

Place: Gurugram  
Date: 28 May 2019

Dilip Seth  
Director (Finance) and CFO

Gautam  
Company Secretary

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 1. GENERAL INFORMATION

Archies Limited ("the Company") is a public limited company, domiciled in India and its shares are listed on N.S.E. and B.S.E. The Company is a leader in the social expression industry in India and deals in Greeting Cards, Gifts and Stationery Products under the Brand name "Archies". The Company has 19 branches spread all over India and head office in Delhi and performs its operations through a systematic distribution network comprising of company owned Stores, Franchisee, Distributors and Retailers. It also exports its products.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation of Financial Statements

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period.

Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

#### 2.2 Use of Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Their effects, if material, are disclosed in the notes to the financial statements.

#### Critical accounting estimates

##### i) Income taxes

The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

##### ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual

value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### 2.3 Property, Plant and Equipment

##### i) Recognition

The cost of an item of property, plant and equipment shall be recognised as an asset only when it is probable that the future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

##### ii) Measurement

###### a) Freehold Land

Freehold land is initially recorded at cost and is subsequently stated at fair value based on periodic, but at least triennial, valuations by external independent valuer, less accumulated impairment losses (if any).

Increase in the carrying amount arising on revaluation is recognised, net of tax, in other comprehensive income and accumulated in other equity under the heading of revaluation surplus. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decrease that reverse previous increases are first recognised in other comprehensive income to the extent of the remaining surplus attributable to it; all other decreases are charged to profit or loss.

###### b) Other Property, Plant and Equipment

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing cost, less accumulated depreciation, accumulated impairment losses, if any and tax credit wherever claimed.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not available for use before such date are disclosed under 'Capital work-in-progress'.

##### iii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### iv) Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of an asset or other amount substituted for costs, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives for each property, plant and equipment from the date the assets are available for use.

The estimated useful lives are as follows:

• Factory Building	30 years
• Plant and Machinery*	15-25 years
• Furniture & Fixtures*	10-30 years
• Office Equipment	5 years
• Vehicles*	8-15 years
• Building (Other than Factory)	60 years
• Residential Building	60 years
• Computers	3-6 years
• Pollution Control Equipment	15 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end with the effect of any changes in estimate accounted for on a prospective basis.

Individual assets costing up to ₹5,000/- are depreciated in the year of purchase.

Leasehold improvements are depreciated over the lease term or useful lives of the underlying asset, whichever is shorter.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

*\*Based on Management's estimate, it is believed that the useful life as given above best represents the period over which management expects to use these assets, hence, the useful lives for these assets are different from the useful lives as prescribed under part C of Schedule II of the Companies Act, 2013.*

### 2.4 Financial Instruments

#### i) Recognition and initial measurement

Trade and other receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

#### ii) Subsequent Measurement

Financial Assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

### iii) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### iv) Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 2.5 Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Input for the asset or liability that is not based on observable market data (unobservable inputs).

### 2.6 Impairment

#### i) Financial Assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

#### ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, primarily property, plant and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of

depreciation or amortisation, if no impairment loss had been recognised.

### 2.7 Inventories

- i) Manufactured Goods, Work-in-Progress, Traded Goods and Raw Materials are valued at lower of cost and net realisable value.
- ii) Other Misc. Inventories are valued at cost.
- iii) The valuation of inventory is being done based on FIFO (First in First Out) method.

The finished goods, which are not saleable, are categorised as dead stock, which are taken and valued at net realisable value. The Company has consistently followed this method of valuation of inventory.

### 2.8 Branch Accounting

Stock is being transferred to the Branches at a Mark-up to the cost price and is valued accordingly by the Branch but at the time of consolidation, the same is valued at as per valuation basis adopted by the Company.

### 2.9 Employee Benefits

#### i) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, wages, bonus and performance incentives.

#### ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts once the contribution has been paid. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

#### iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Company has taken the group gratuity policy under Cash Accumulated Scheme of Life Insurance Corporation of India (LIC). The contribution in respect of such scheme, based on the advices received from LIC, is made to the Gratuity Fund Trust. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projecting unit credit method.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset and liability. Gains and Losses through the measurements of the net defined benefit liability / (asset) are recognised in other comprehensive income.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

The actual return of portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effects of any plan amendments are recognised in the net profit in Statement of Profit and Loss. Leave encashment due to employees is covered by the New Group Leave encashment Plan under Cash Accumulation Scheme of Life Insurance Corporation of India (LIC). The Company retains leave accumulation upto 30 days and liability is recognised in the Statement of Profit and Loss on the basis of actuarial valuation performed by an Independent Actuary.

### 2.10 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows, if material, (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

### 2.11 Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### 2.12 Foreign Currency Transactions

The Company's financial statements are presented in Indian rupee (INR), which is also the Company's functional and presentation currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences resulting from such transactions are recognised in profit or loss.

### 2.13 Revenue Recognition

#### Sale of Goods

The Company recognises revenue when customer obtains control over the promised goods against the consideration expected to be received in exchange for those goods excluding amounts collected on behalf of the taxation authorities.

Revenue from sale of goods/ job work in the course of ordinary activities is measured at fair value of the consideration received

or receivable, net of returns, trade discounts, rebates. 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.

#### Royalties Income

Royalties accrue in accordance with the terms of the relevant agreement and are recognised on that basis.

#### Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR) method as set out in IND AS 109.

#### Dividend Income

Dividend Income from investment is recognised when the right to receive the same is established, i.e. when shareholders approve the dividend.

### 2.14 Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### i) Current tax

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

Minimum Alternate Tax (MAT) credit is recognised as an asset only to the extent and when there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

#### ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

to apply to the year when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

### 2.15 Segment Reporting

#### (i) Primary Segment

The Company operates in three primary business segments – Greeting cards, Stationery and Gifts.

#### (ii) Secondary Segment

The Company has operations within India as well as entities located in other countries. Its reportable segment is based on geographical location of its customers.

### 2.16 Leases

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

### 2.17 Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where the results would be anti-dilutive.

### 2.18 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### 2.19 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 – Leases and through Companies (Indian Accounting Standards) Second Amendment Rules, 2019 certain amendments to existing Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2019:

#### Issue of New Ind AS 116 – Leases

Ind AS 116 shall be applied for recognition, measurement, presentation and disclosure of leases. It provides guidance on accounting of leases by lessor and lessee separately. Principles of Ind AS 116 with respect to accounting of leases by lessor are substantially same as previously provided under Ind AS 17

which shall stand withdrawn after notification of Ind AS 116, Leases. However, there is significant change in the way a lessee shall account for leases in its books. An entity, being a lessee, shall recognise a right of use asset and a lease liability whenever it takes any asset on lease.

Consequential amendments to other Ind ASs which contain provisions related to leases have also been notified and are effective from April 1, 2019.

#### Amendment to existing issued Ind AS

Ind AS 109 - Financial Instruments

Ind AS 12 – Income Taxes

Ind AS 19 – Employee Benefits

Ind AS 23 – Borrowing Costs

The Company is evaluating the requirements of the amendments and its effect on the financial statements.

### 2.20 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government Grants (Export Promotion Capital Goods License) relating to the purchase of capital goods are included in the Property, Plant and Equipment. Such Grants are also recognised under non-current liabilities and current liabilities as deferred income and recognised in the Statement of profit or loss as and when the export obligations are completed and presented within other income.

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019

### 3. PROPERTY, PLANT AND EQUIPMENT (Refer Note No. 36)

(₹ in Lakhs)

	Land	Factory Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Vehicles	Buildings (Other than Factory)	Residential Building	Computers	Pollution Control Equipment	Total
<b>Gross carrying amount</b>											
<b>At 1 April 2017</b>	882.67	359.04	1,382.84	1,348.56	141.96	95.35	2,067.73	89.28	143.83	1.29	6,512.55
Additions	39.20	-	35.08	261.12	16.37	3.34	-	-	52.34	-	407.45
Disposals	-	-	-	50.09	3.30	61.69	-	-	0.88	-	115.96
Revaluation Surplus	1,488.38	-	-	-	-	-	-	-	-	-	1,488.38
<b>At 31 March 2018</b>	2,410.25	359.04	1,417.92	1,559.59	155.03	37.00	2,067.73	89.28	195.29	1.29	8,292.42
Additions	99.50	9.33	74.57	264.39	36.42	-	-	-	52.59	-	536.80
Disposals	-	-	0.82	92.84	2.51	5.85	108.81	-	0.67	-	211.50
Adjustments due to loss by fire	-	-	-	16.74	22.42	-	-	-	27.19	-	66.35
<b>At 31 March 2019</b>	2,509.75	368.37	1,491.67	1,714.40	166.52	31.15	1,958.92	89.28	220.02	1.29	8,551.37
<b>Accumulated Depreciation</b>											
<b>At 1 April 2017</b>	-	14.35	68.27	142.74	43.21	15.27	35.86	1.47	46.42	0.19	367.78
Depreciation	-	14.35	82.67	185.05	30.87	11.73	35.86	1.47	40.79	0.17	402.96
Disposals	-	-	-	13.34	1.87	16.39	-	-	0.46	-	32.06
<b>At 31 March 2018</b>	-	28.70	150.94	314.45	72.21	10.61	71.72	2.94	86.75	0.36	738.68
Depreciation	-	15.34	51.75	188.15	23.71	4.11	35.21	1.47	37.71	0.11	357.56
Disposals	-	-	0.41	30.04	1.43	1.01	4.81	-	0.36	-	38.06
Adjustments due to loss by fire	-	-	-	5.22	9.90	-	-	-	13.47	-	28.59
<b>At 31 March 2019</b>	-	44.04	202.28	467.34	84.59	13.71	102.12	4.41	110.63	0.47	1,029.59
<b>Net book value</b>											
<b>At 31 March 2019</b>	2,509.75	324.33	1,289.39	1,247.06	81.93	17.44	1,856.80	84.87	109.39	0.82	7,521.78
<b>At 31 March 2018</b>	2,410.25	330.34	1,266.98	1,245.14	82.82	26.39	1,996.01	86.34	108.54	0.93	7,553.72

#### Note:

- During the Financial Year 2018-19, the Company has changed the estimated useful life of certain Property, Plant and Equipment, owing to which the Depreciation has reduced by ₹ 31.83, resulting in corresponding reduction in loss.
- For details of hypothecated Property, Plant and Equipment, refer to Note No. 16(a)

### 4 CAPITAL WORK IN PROGRESS

(₹ in Lakhs)

	31 March 2019	31 March 2018
Opening	9.75	37.68
Add: Additions during the year	250.59	182.17
Less: Capitalised during the year	227.67	210.10
<b>Closing</b>	<b>32.67</b>	<b>9.75</b>

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019**
**5 FINANCIAL ASSETS**

(₹ in Lakhs)

	31 March 2019	31 March 2018
(Unsecured and Considered Good)		
<b>Other Financial Assets</b>		
(Carried at amortised Cost)		
Security Deposits*	842.13	748.45
<b>Total</b>	<b>842.13</b>	<b>748.45</b>

\*Security deposit includes ₹12.6 (31 March 2018 ₹12.6) to a private company in which the directors of the company are interested. Prepayment portion on the same is included in "Other Non Current Assets" and "Other Current Assets" as per Note no. 6 and 9 respectively.

**6 OTHER NON CURRENT ASSETS**

	31 March 2019	31 March 2018
(Unsecured and considered doubtful)		
Advances to Suppliers	23.57	23.57
Less: Provision for Doubtful Advances	23.57	23.57
	-	-
(Unsecured and Considered Good)		
Capital Advances	21.06	2.22
Prepaid Expenses	8.36	3.76
Prepayment	182.88	173.30
Security Deposits	16.02	10.99
Advance to Staff	2.72	1.99
MAT Credit Entitlement	14.96	-
Others	-	0.59
<b>Total</b>	<b>246.00</b>	<b>192.85</b>

**7 INVENTORIES**

	31 March 2019	31 March 2018
Raw Materials	95.46	48.41
Work in Progress	38.90	30.21
Manufactured Goods	1,025.45	983.10
Traded Goods	3,926.04	4,115.85
<b>Total</b>	<b>5,085.85</b>	<b>5,177.57</b>

**8 FINANCIAL ASSETS**

	31 March 2019	31 March 2018
<b>a) Trade Receivables</b>		
Unsecured, considered doubtful	34.98	32.47
Less: Provision for Doubtful Debts	34.98	32.47
	-	-
Unsecured, considered good	1,924.17	2,214.67
Less: Allowance of credit losses*	(13.95)	(15.50)
<b>Total</b>	<b>1,910.22</b>	<b>2,199.17</b>
*Reflect the loss allowance recognised using life time expected credit loss model (refer note 2.6).		
<b>b) Cash and Cash Equivalents</b>		
Balance with Banks	109.48	51.15
Cash on Hand	54.66	27.26
<b>Total</b>	<b>164.14</b>	<b>78.41</b>
<b>c) Bank balances other than above</b>		
Unclaimed Dividend Accounts	8.23	7.48
Fixed Deposits with Banks*	40.94	31.36
Interest Accrued but not due on Fixed Deposit	5.92	4.14
<b>Total</b>	<b>55.09</b>	<b>42.98</b>

\*Deposited against Bank Guarantee, Margin Money and Sales Tax Department

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>d) Other Financial Assets</b>		
(Unsecured, considered good)		
Security Deposits	50.18	58.21
Insurance Claim Receivable (Refer Note No. 36)	510.90	-
Others	13.52	8.91
<b>Total</b>	<b>574.60</b>	<b>67.12</b>

**9 OTHER CURRENT ASSETS**

	31 March 2019	31 March 2018
(Unsecured, considered good)		
Balance with Government Authorities	57.31	108.04
Advances to Suppliers	151.26	203.49
Prepaid Expenses	37.31	25.54
Prepayment	64.55	69.58
Advances to staff	7.35	6.85
Others	9.91	6.12
<b>Total</b>	<b>327.69</b>	<b>419.62</b>

**10 EQUITY SHARE CAPITAL**

	31 March 2019	31 March 2018
<b>Authorised Capital</b>		
750,00,000 (31 March 2018, 750,00,000) Equity Shares of ₹ 2/- each	1,500.00	1,500.00
<b>Issued, Subscribed and Paid up</b>		
337,80,000 (31 March 2018, 337,80,000) Equity Shares of ₹ 2/- each fully paid up.	675.60	675.60
Forfeited Shares	0.02	0.02
	<b>675.62</b>	<b>675.62</b>

**Details of Shareholders holding more than 5% Equity Shares in the company**

	31 March 2019			31 March 2018	
Equity Shares of ₹ 2 each fully paid up	No. in Equity Shares held	% holding in the class	No. in Equity Shares held	% holding in the class	
Anil Moolchandani	7061607	20.90	6843900	20.26	
Jagdish Moolchandani	4253230	12.59	4253230	12.59	
Pushpa Moolchandani	2964250	8.78	2964250	8.78	
Karan Moolchandani	1852000	5.48	1852000	5.48	
Raghav Moolchandani	1808120	5.35	1808120	5.35	

**11 OTHER EQUITY**

	31 March 2019	31 March 2018
<b>a) Capital Reserve</b>		
Forfeiture of Share Warrants	159.50	159.50
<b>Closing Balance</b>	<b>159.50</b>	<b>159.50</b>
<b>b) Securities Premium</b>		
Opening Balance	737.96	737.96
Closing Balance	<b>737.96</b>	<b>737.96</b>
<b>c) General Reserve</b>		
Opening Balance	5,113.77	5,113.77
Closing Balance	<b>5,113.77</b>	<b>5,113.77</b>

**NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019**

(₹ in Lakhs)

	31 March 2019	31 March 2018
<b>d) Surplus in Statement of Profit and Loss</b>		
Opening Balance	3,756.83	3,983.92
Add: Previous Years' Tax Adjustments	-	4.42
Other Comprehensive Income (Remeasurements of defined plans (Net of Taxes))	(26.53)	6.82
Add : Profit/(Loss) for the Year	72.61	(236.96)
	3,802.91	3758.20
Less : Appropriations		
Provision for CSR u/s section 135 and 198 of Companies Act 2013. (During the year ₹ Nil were spent on CSR Activities (31 March 2018 ₹9)	-	(1.37)
<b>Closing Balance</b>	<b>3802.91</b>	<b>3756.83</b>
<b>e) Other Comprehensive Income</b>		
Changes in Revaluation Surplus (Net of Taxes)	1,311.10	1,311.10
<b>TOTAL (a) + (b) + (c) + (d) + (e)</b>	<b>11,125.24</b>	<b>11,079.16</b>
<b>12 FINANCIAL LIABILITIES</b>		
	31 March 2019	31 March 2018
<b>Other Financial Liabilities</b>		
Deferred Rent Obligations	89.60	87.72
<b>13 Deferred Tax Liabilities (Net)</b>		
	31 March 2019	31 March 2018
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	658.38	692.36
	(a) <b>658.38</b>	692.36
<b>Deferred Tax Assets</b>		
Employee Benefits	41.64	47.44
Deferred Rent Obligation	24.93	24.40
Unabsorbed Depreciation and Losses	334.90	354.40
Others	26.84	25.89
	(b) <b>428.31</b>	452.13
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	(a-b) <b>230.07</b>	240.23
<b>Deferred Tax Charged to Statement of Profit and Loss</b>	<b>0.06</b>	(50.83)
<b>Deferred Tax Charged to Other Comprehensive Income</b>	<b>(10.22)</b>	179.91
<b>14 PROVISIONS</b>		
	31 March 2019	31 March 2018
Provision for employee benefits (refer note No. 32)		
Leave encashment	32.58	37.51
Gratuity	22.35	-
<b>Total</b>	<b>54.93</b>	<b>37.51</b>
<b>15 OTHER NON CURRENT LIABILITIES</b>		
	31 March 2019	31 March 2018
Deferred Income	35.93	60.36
<b>Total</b>	<b>35.93</b>	<b>60.36</b>
<b>16 FINANCIAL LIABILITIES</b>		
	31 March 2019	31 March 2018
<b>a) Borrowings</b>		
(Loans repayable on demand) -		
Secured Loans		
WCDL, Cash Credit, Buyer's Credit from Banks (refer note (i, ii, iii and iv) below)	1,601.61	1,164.66
Unsecured Loans		
Loan from Director	-	415.00
<b>Total</b>	<b>1,601.61</b>	<b>1,579.66</b>

## NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2019

- i) Pari passu first charge in favour of Kotak Mahindra Bank Ltd. and HDFC Bank Ltd. by way of hypothecation of Stocks, Book Debts and Movable Fixed Assets, both present and future, except assets specifically hypothecated.
- ii) Pari passu first charge in favour of Kotak Mahindra Bank Ltd. and HDFC Bank Ltd. on the immovable property situated at Plot No. 191-F, Sector 4, IMT Manesar, Gurugram, Haryana.
- iii) Personal Guarantee of Anil Moolchandani, CMD, Jagdish Moolchandani ED and Raghav Moolchandani s/o Jagdish Moolchandani ED.
- iv) Charge given in favor of Indusind bank has been satisfied on 11 January 2019.

(₹ in Lakhs)

	31 March 2019	31 March 2018
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### b) Trade Payables

total outstanding dues of micro enterprises and small enterprises	48.88	2.19
total outstanding dues of creditors other than micro enterprises and small enterprises	1,235.12	1,131.13
<b>Total</b>	<b>1,284.00</b>	<b>1,133.32</b>

As at 31 March 2019 interest due to micro enterprises and small enterprises is ₹0.16 Lakhs (Nil 31 March 2018). During the year ended 31 March 2019, Company has not paid any amount beyond the appointed day as defined in the Micro, Small and Medium Enterprises Development Act 2006, which has been paid as of 31 March 2019.

### c) Other Financial Liabilities

Security Deposit (Received from Franchisees, Agents & Distributors)	597.61	585.08
Current Maturities of Long-Term Borrowings	-	76.18
Interest accrued but not due	-	0.23
Accrued Salary and Other Benefits	267.57	254.70
Other Payables for Expenses	573.63	426.62
Book Overdraft	4.35	-
Deferred Rent Obligations	7.89	-
<b>Total</b>	<b>1,451.05</b>	<b>1,342.81</b>

## 17 OTHER CURRENT LIABILITIES

	31 March 2019	31 March 2018
Advance from Customers	38.75	114.57
Statutory Liabilities	87.66	78.40
Expenses Payable	72.18	59.39
Unclaimed Dividend	8.23	7.48
Deferred Income	15.49	15.58
<b>Total</b>	<b>222.31</b>	<b>275.42</b>

## 18 PROVISIONS

	31 March 2019	31 March 2018
Provision for employee benefits (refer note No. 32)		
Leave encashment	24.08	20.60
Gratuity	53.48	47.36
<b>Total</b>	<b>77.56</b>	<b>67.96</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

(₹ in Lakhs)

**19 REVENUE FROM OPERATIONS**

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of Products (including excise duty)*	15,874.85	15,644.28
<b>Other Operating Revenue</b>		
Scrap Sales	-	2.66
Income from Business Auxillary Services	206.77	104.17
Other	54.82	30.96
	<u>261.59</u>	<u>137.79</u>
<b>Total</b>	<b>16,136.44</b>	<b>15,782.07</b>

"\* Excise duty is included in the sales of Products for the period 01 April 2017 to 30 June 2017"

**20 OTHER INCOME**

	Year ended 31 March 2019	Year ended 31 March 2018
Interest Income on financial assets-carried at amortised cost		
a) Fixed Deposit with Banks	3.41	2.62
b) Security Deposits	71.80	93.40
c) Other	4.95	5.44
Rent Received	59.40	56.25
Unwinding of Deferred Income of Government Grant	24.51	12.47
Net gain on translation of foreign currency transactions	18.22	23.24
Miscellaneous Income	1.55	8.74
<b>Total</b>	<b>183.84</b>	<b>202.16</b>

**21 COST OF MATERIALS CONSUMED**

	Year ended 31 March 2019	Year ended 31 March 2018
Opening Stock	48.41	103.99
Add : Purchases	1,147.36	817.25
<b>Total</b>	<b>1,195.77</b>	<b>921.24</b>
Less: Closing Stock	95.46	48.41
<b>Total</b>	<b>1,100.31</b>	<b>872.83</b>

**22 PURCHASES OF TRADED GOODS**

	Year ended 31 March 2019	Year ended 31 March 2018
Traded Goods	5,098.92	4,582.88
<b>Total</b>	<b>5,098.92</b>	<b>4,582.88</b>

**23 CHANGES IN INVENTORIES OF MANUFACTURED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**

	Year ended 31 March 2019	Year ended 31 March 2018
<b>Opening Stock</b>		
Manufactured Goods	983.10	885.03
Work-in-progress	30.21	32.62
Traded Goods	4,115.85	4,659.10
<b>Total (a)</b>	<b>5,129.16</b>	<b>5,576.75</b>
<b>Closing Stock</b>		
Manufactured Goods	1,025.45	983.10
Work-in-progress	38.90	30.21
Traded Goods	3,926.04	4,115.85
<b>Total (b)</b>	<b>4,990.39</b>	<b>5,129.16</b>
Less: Stock Loss (c) (Refer Note No. 36)	473.14	-
Less: Transitional Cenvat Credit-Stock as on 30.06.2017(c)	-	161.97
<b>Net Change (a)-(b)-(c)</b>	<b>(334.37)</b>	<b>285.62</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019****24 EMPLOYEE BENEFITS EXPENSE**

	Year ended 31 March 2019	₹ in Lakhs) Year ended 31 March 2018
Salary, Wages and Other Benefits	2,920.83	2,860.38
Contribution to Provident and Other Funds	214.12	229.94
Staff Welfare Expenses	52.94	50.91
<b>Total</b>	<b>3,187.89</b>	<b>3,141.23</b>



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

25 OTHER EXPENSES

(₹ in Lakhs)

	Year ended 31 March 2019	Year ended 31 March 2018
Advertisement	198.24	151.07
Bad Debts	3.50	3.98
Doubtful Debts/ Expected Credit Loss / (gain)	0.96	11.12
Business Promotion and Development	459.88	360.54
Commission On Sales	721.53	765.31
Communication Expenses	50.95	64.86
Computer Expenses	31.77	46.53
Consumables (i)	23.85	25.46
Conveyance	87.66	83.70
Director's Sitting Fees	2.08	2.02
Discount Allowed	39.91	75.88
Electricity and Water Expenses	384.20	429.93
Excise duty	-	18.62
Freight and Cartage (Outward)	50.62	31.43
Freight and Cartage Inward	280.46	298.17
General Expenses	50.85	52.76
Charity and Donations	9.00	4.10
Insurance	14.16	21.19
Jobwork	279.48	245.03
Legal and Professional Charges (ii)	110.22	80.01
Loss due to fire	-	1.81
Meeting and Conference Expenses	6.50	6.03
Office and Factory Maintenance	66.69	84.62
Postage, Packing and Forwarding	206.90	180.25
Power	75.25	69.27
Printing and Stationery	22.38	22.47
Rates and Taxes	16.61	8.82
Rent (Refer Note No. 35)	2,412.88	2,535.50
Amortisation of Prepayment relating to Security Deposit	74.28	100.68
Repair and Maintenance		
- Machinery	32.73	22.45
- Building	9.91	7.83
- Vehicles	14.92	43.26
- Others	169.74	128.10
Shop Maintenance	448.61	484.08
Travelling Expenses	110.49	113.05
Watch and Ward Expenses	52.01	50.08
<b>Total</b>	<b>6,519.22</b>	<b>6630.01</b>

(i)		31 March 2019	31 March 2018
		Value (₹in Lakhs)	Value (₹in Lakhs)
	Detail of Consumables		
	Indigenous (100%)	23.85	25.46
	<b>Total</b>	<b>23.85</b>	<b>25.46</b>

(ii)		31 March 2019	31 March 2018
		Value (₹in Lakhs)	Value (₹in Lakhs)
	Provisions for Auditor		
	As Auditor:		
	Audit Fee	10.75	10.75
	<b>Total</b>	<b>10.75</b>	<b>10.75</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 26 FINANCE COSTS

	(₹ in Lakhs)	
	Year ended	Year ended
	31 March 2019	31 March 2018
Financial Charges	67.73	77.55
Interest	202.06	204.80
<b>Total</b>	<b>269.79</b>	<b>282.35 27</b>

### 27. CAPITAL AND OTHER COMMITMENT

Capital Commitment – Estimated amount of contracts remaining to be executed relating to Property, Plant and Equipment (net of advances) and not provided for ₹ 76.33 Lakhs (31 March 2018 ₹ 7.65 Lakhs).

Other Commitment – Estimated amount of contracts remaining to be executed on Other Commitment (net of advances) and not provided for ₹ 266.10 Lakhs (31 March 2018 ₹ 118.14 Lakhs).

### 28. CONTINGENT LIABILITIES

	(₹ in Lakhs)	
	31 March 2019	31 March 2018
a) Income Tax Demand (Block Period)*#	<b>0.00*</b>	340.27*
b) Tax Deducted at Source**#	<b>6.67**</b>	6.67**
c) Tax Deducted at Source***#	<b>9.02***</b>	0.00
d) Bank Guarantee	<b>20.03</b>	20.03
e) Custom duty saved on import of Capital goods under EPCG Scheme (Export obligation under the EPCG Scheme was ₹ 308.56 Lakhs (31 March 2018 ₹ 455.63 Lakhs).	<b>51.42</b>	75.94

f) There are numerous interpretative issues relating to the Hon'ble Supreme Court judgment on Provident Fund dated 28.02.2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the said order. The Company will update its provision, on receiving further clarity on the subject.

\*A demand of ₹340.27 Lakhs was raised against the company in block assessment, the Income Tax Appellate Tribunal (ITAT) partly allowed appeal of the company and demand was reduced to ₹29.83 Lakhs. The Income Tax Department had filed an appeal in Hon'ble High Court of Delhi against the order of the Hon'ble ITAT. Hon'ble High Court of Delhi vide its order dated 28.02.2019 has dismissed the appeal due to low tax effect.

\*\*A demand of ₹6.67 Lakhs of Tax Deducted at Source was raised against the company by Assistant Commissioner of Income Tax for the FY 2010-11 vide order dated 28.03.2018. Company has filed an appeal against the said order with Commissioner of Income Tax (Appeals).

\*\*\*A demand of ₹9.02 Lakhs of Tax Deducted at Source was raised against the company by Assistant Commissioner of Income Tax, Delhi for the FY 2011-12 vide order dated 25.03.2019. Company has filed an appeal against the said order with Commissioner of Income Tax (Appeals).

#Pending resolutions of the respective proceedings, it is not practicable for the company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/decisions pending with the various forums/authorities.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 29. FINANCIAL INSTRUMENTS

#### Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

(₹ in Lakhs)			
Particulars	Amortised Cost	Total carrying value	Total fair value and Amortised Cost
<b>Assets:</b>			
Other Financial Assets (Refer Note 5, 8c and 8d)	1,471.82	1,471.82	1,471.82
Trade Receivables (Refer Note 8a)	1,910.22	1,910.22	1,910.22
Cash and Cash Equivalents (Refer Note 8b)	164.14	164.14	164.14
<b>Total</b>	<b>3,546.18</b>	<b>3,546.18</b>	<b>3,546.18</b>
<b>Liabilities:</b>			
Borrowings (Refer Note 16a)	1,601.61	1,601.61	1,601.61
Trade Payables (Refer Note 16b)	1,284.00	1,284.00	1,284.00
Other Financial Liabilities (Refer Note 12 and 16c)	1,540.65	1,540.65	1,540.65
	<b>4,426.26</b>	<b>4,426.26</b>	<b>4,426.26</b>

The carrying value and fair value of financial instruments by categories as of 31 March 2018 were as follows:

(₹ in Lakhs)			
Particulars	Amortised Cost	Total carrying value	Total fair value and Amortised Cost
<b>Assets:</b>			
Other Financial Assets (Refer Note 5, 8c and 8d)	858.55	858.55	858.55
Trade Receivables (Refer Note 8a)	2,199.17	2,199.17	2,199.17
Cash and Cash Equivalents (Refer Note 8b)	78.41	78.41	78.41
<b>Total</b>	<b>3,136.13</b>	<b>3,136.13</b>	<b>3,136.13</b>
<b>Liabilities:</b>			
Borrowings (Refer Note 16a)	1,579.66	1,579.66	1,579.66
Trade Payables (Refer Note 16b)	1,133.32	1,133.32	1,133.32
Other Financial Liabilities (Refer Note 12 and 16c)	1,430.53	1,430.53	1,430.53
	<b>4,143.51</b>	<b>4,143.51</b>	<b>4,143.51</b>

#### Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

#### Financial Risk Management

##### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

##### Market Risk

The company is exposed to foreign currency risk through its sales and purchases from overseas suppliers in US Dollar. The exchange rate between the rupee and US Dollar has changed substantially and may fluctuate substantially in the future. Consequently, the results of the Company's operations are adversely affected as the rupee appreciates / depreciates against US Dollar.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### Foreign Currency Risk

The following table analyses foreign currency risk from financial instruments:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
	U.S.D. equivalent ₹ in Lakhs	U.S.D. equivalent ₹ in Lakhs
Cash and Cash Equivalents	22.03	14.53
Trade Receivables	114.06	66.04
Trade Payables	(90.70)	(89.86)
	<b>45.39</b>	<b>(9.29)</b>

For each of the years ended 31 March 2019 and 31 March 2018, every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and US Dollar, has affected the Company's incremental operating margins by approximately 0.63% and 0.04% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into function currency, due to exchange rate fluctuations between the previous reporting year and the current reporting year.

### Credit Risk

Credit risk, refers to the risk of default on its obligation by the customers resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹1910.22 lakhs and ₹2199.17 lakhs as of 31 March 2019 and 31 March 2018, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the Company through sale contract with customers and continuously monitoring the ageing of outstanding balance of customers to which the Company grants credit in the normal course of business. The Company uses the expected credit loss model as at each year end to assess the impairment loss or gain. No single customer accounted for more than 10% of the accounts receivable as of 31 March 2019 and 31 March 2018, respectively and revenues for the year ended 31 March 2019 and 31 March 2018, respectively. There is no significant concentration of credit risk.

### Credit Risk Exposure

The reversal for life time ECL on customer balances for the year ended 31 March 2019 was ₹1.55 Lakhs. The allowance for life time ECL on customer balances for the year ended 31 March 2018 was ₹1.43 lakhs.

(₹ in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning	15.50	14.07
Impairment loss recognised/(reversed)	(1.55)	1.43
Balance at the end	13.95	15.50

### Liquidity Risk

"The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has taken working capital loans from Banks for its Working Capital requirement. The company believes that the working capital is sufficient to mitigate its liquidity risk. Accordingly, no liquidity risk is perceived.

As of 31 March 2019, the Company had a working capital of ₹3,481.06 lakhs including cash and cash equivalents of ₹164.14 lakhs. As of 31 March 2018, the Company had a working capital of ₹3,585.70 lakhs including cash and cash equivalents of ₹78.41 lakhs."

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer Note No. 16(b))	1,284.00	-	-	-	1,284.00
Other financial liabilities (Refer Note No. 12 and 16(c))	1,451.05	41.71	41.16	6.73	1,540.65
	<b>2,735.05</b>	<b>41.71</b>	<b>41.16</b>	<b>6.73</b>	<b>2,824.65</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2018:

Particulars	Less than 1 year	1-2 years	2-4 years	4-7 years	Total
Trade Payables (Refer Note No. 16(b))	1,133.32	-	-	-	1,133.32
Other financial liabilities (Refer Note No. 12 and 16(c))	1,342.81	7.89	73.58	6.25	1,430.53
	<b>2,476.13</b>	<b>7.89</b>	<b>73.58</b>	<b>6.25</b>	<b>2,563.85</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 30. SEGMENT REPORTING

Based on the 'management approach' as defined in Ind AS-108 (Operating Segments), the Chief Operating Decision Maker (CODM), being the Chairman-cum-Managing director in the Company evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographical segments. The Company's financial reporting is organised into three major operating divisions viz. Greeting Cards, Stationery Items, Gifts and Others. These divisions are the basis on which the company is reporting its primary segment information as follows:-

#### (i) Information About Business Segments

(₹ in Lakhs)

S.NO.	PARTICULARS	31 March 2019	31 March 2018
	<b>Segment Revenue</b>		
a	Greeting Cards	2406.49	2742.43
b	Stationery	2716.84	2333.67
c	Gifts	10489.83	10434.92
d	Others	261.69	133.26
	<b>Income From Operations</b>	<b>15874.85</b>	<b>15644.28</b>
	<b>Segment Results</b>		
	<b>Profit before Depreciation, Finance Costs and Tax</b>		
a	Greeting Cards	267.99	277.15
b	Stationery	401.32	268.35
c	Gifts	432.47	215.60
d	Others	20.60	10.23
	<b>Total</b>	<b>1122.38</b>	<b>771.33</b>
	Less: Finance Costs	269.78	282.35
	Less: Other unallocable exp. net of unallocable Income	779.93	776.77
	<b>Profit / (Loss) before Tax</b>	<b>72.67</b>	<b>(287.79)</b>
	Capital Employed		
	<b>(Segment Assets - Segment Liabilities)</b>		
	Segment Assets	16847.92	16579.77
	Segment Liabilities	5047.06	4824.99
	<b>Capital Employed</b>	<b>11800.86</b>	<b>11754.78</b>
	<b>Total</b>	<b>11800.86</b>	<b>11754.78</b>

#### (ii) Information about Geographical Segment

(₹ in Lakhs)

Particulars	Sales Revenue by Geographical Market		Carrying Amount of Segment Assets		Additions to Property, Plant and Equipment	
	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
East	1,074.03	1,113.90	191.31	235.59	0.00	34.69
West	3,080.20	2,953.69	1,212.40	1,550.00	54.85	63.73
North	8,375.28	8,311.07	14,122.22	13,367.35	379.15	271.39
South	2,622.90	2,714.39	1,152.08	1,235.46	102.61	36.40
Central	540.91	407.84	169.91	191.37	0.19	1.24
Export	181.53	143.39	Nil *	Nil *	Nil *	Nil *
<b>Total</b>	<b>15,874.85</b>	<b>15,644.28</b>	<b>16847.92</b>	<b>16579.77</b>	<b>536.80</b>	<b>407.45</b>

\* No specific assets are held for export.

#### iii) Notes to Segment information

##### Segment Revenue and Expense

Joint Revenues and Expenses are allocated to the business segments on a reasonable basis to the extent possible.

##### Segment Assets and Liabilities

Segment Assets include all Operating Assets used by Segment. Segment Liabilities include all Operating Liabilities.

##### Capital Employed

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.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

**31. RELATED PARTY DISCLOSURES (Ind AS) 24**

**(i) List of Related Parties with whom transactions have taken place and Relationships :**

S.NO.	NAME OF RELATED PARTY	RELATIONSHIP		
1	Mr. Anil Moolchandani (Chairman and Managing Director)	<b>Key Managerial Personnel</b>		
	Mr. Jagdish Moolchandani (Director)			
	Mr. Dilip Seth Director (Finance) and CFO			
	Mr. Sunil Behl (Non Executive Independent Director)			
	Mr. Arun Singhal (Non Executive Independent Director)			
	Late Mr. Prem Kumar Chadha* (Non Executive Independent Director)			
	Mr. Seshan Ranganathan** (Chief Executive Officer)			
	Mrs. Payal Jain*** (Non Executive Independent Director)			
	Dr. Bhavna Chadha**** (Non Executive Independent Director)			
	Mr. Gautam (Company Secretary)			
2	Mrs. Neeru Moolchandani w/o Mr. Anil Moolchandani	<b>Relatives of Key Managerial Personnel</b>		
	Mrs. Pushpa Moolchandani w/o Mr. Jagdish Moolchandani			
	Mr. Varun Moolchandani s/o Mr. Anil Moolchandani			
	Mr. Karan Moolchandani s/o Mr. Anil Moolchandani			
	Mr. Raghav Moolchandani s/o Mr. Jagdish Moolchandani			
	Mrs. Mohini Seth Mother of Mr. Dilip Seth			
	3		M/s. Empire Greetings & Gifts Pvt. Ltd. M/s. Kyor	<b>Enterprises over which Key Managerial Personnel or their relatives exercise significant influence</b>
	4		Archies Greeting & Gifts Limited Employees Group Gratuity Scheme*****	<b>Post-employment benefits plan</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

\* Mr. Prem Kumar Chadha, Independent Director of the Company deceased on 23.06.2017 and thus ceased to be a Director of the Company.

\*\* Mr. Seshan Ranganathan resigned from the post of Chief Executive Officer w.e.f 10.08.2017.

\*\*\* Mrs. Payal Jain is appointed as Non Executive and Independent Director of the company w.e.f. 10.08.2018.

\*\*\*\* Dr. Bhavna Chadha, Non Executive and Independent Director of the company resigned w.e.f 10.08.2018.

\*\*\*\*\* Refer to Note 32 for information on transactions with post employment benefits plans mention above.

### (ii) Transactions with Related Parties :

(₹ in Lakhs)

S.NO.	NATURE OF TRANSACTION	KEY MANAGERIAL PERSONAL		RELATIVES OF KEY MANAGERIAL PERSONAL		ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018	31 MARCH 2019	31 MARCH 2018
1	Purchase of Goods					47.36	28.22	47.36	28.22
2	Sale of Goods					16.90	10.75	16.90	10.75
3	Rent Paid	40.38	39.86	90.70	93.85	70.00	43.58	201.08	177.28
4	Salary	82.99	114.82	30.42	31.83			113.41	146.66
5	Post Employment Benefits	1.09	3.60					1.09	3.60
6	Director's Sitting Fees	2.08	2.02					2.08	2.02
7	Unsecured Loans Received	0.00	670.43					0.00	670.43
8	Repayment Of Unsecured Loans	415.00	255.43					415.00	255.43
	Outstanding Receivables					12.60	24.82	12.60	24.82
	Outstanding Payable	4.23	437.55	2.57	2.70	3.70	13.70	10.50	453.96

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

(iii) Transaction wise detail of related parties

(₹ in Lakhs)

S. NO.	NATURE OF TRANSACTION	NAME OF RELATED PARTY	TRANSACTION AMOUNT 31 MARCH 2019	TRANSACTION AMOUNT 31 MARCH 2018
1	Purchase of Goods	M/s. Kyor	47.36	28.22
		<b>Total</b>	<b>47.36</b>	<b>28.22</b>
2	Sales of Goods	M/s. Kyor	16.90	10.75
		<b>Total</b>	<b>16.90</b>	<b>10.75</b>
3	Rent Paid	Mr. Anil Moolchandani	29.98	31.20
		Mr. Jagdish Moolchandani	10.40	8.66
		Mrs. Pushpa Moolchandani	46.19	47.64
		Mrs. Neeru Moolchandani	16.86	18.76
		Mr. Varun Moolchandani	8.62	8.62
		Mr. Karan Moolchandani	3.87	5.28
		Mrs. Mohini Seth	2.66	2.66
		Mr. Raghav Moolchandani	12.50	10.88
		M/s. Empire Greeting And Gifts Pvt. Ltd.	70.00	43.58
		<b>Total</b>	<b>201.08</b>	<b>177.28</b>
4	Salary Paid	Mr. Anil Moolchandani	30.87	34.02
		Mr. Jagdish Moolchandani	20.67	22.55
		Mr. Dilip Seth	23.15	25.36
		Mr. Seshan Ranganathan	-	24.93
		Mr. Gautam	8.30	7.97
		Mr. Varun Moolchandani	12.50	14.91
		Mr. Raghav Moolchandani	17.92	16.93
<b>Total</b>	<b>113.41</b>	<b>146.66</b>		
5	Post-employment Benefits	Mr. Dilip Seth	0.83	3.00
		Mr. Gautam	0.26	0.60
		<b>Total</b>	<b>1.09</b>	<b>3.60</b>
6	Director's Sitting Fees	Mr Sunil Behl	0.70	0.68
		Late. Mr. Prem Kumar Chadha	-	0.20
		Dr. Bhavna Chadha	0.35	0.51
		Mrs. Payal Jain	0.38	-
		Mr. Arun Singhal	0.65	0.63
		<b>Total</b>	<b>2.08</b>	<b>2.02</b>
7	Unsecured Loan Received	Mr. Jagdish Moolchandani	-	20.43
		Mr. Anil Moolchandani	-	650.00
		<b>Total</b>	<b>-</b>	<b>670.43</b>
8	Repayment Of Unsecured Loans	Mr. Anil Moolchandani	415.00	235.00
		Mr. Jagdish Moolchandani	-	20.43
		<b>Total</b>	<b>415.00</b>	<b>255.43</b>
<b>Outstanding Payable</b>				
<b>Salary and other benefits Payable</b>				
		Mr. Anil Moolchandani	1.48	2.63
		Mr. Jagdish Moolchandani	0.93	1.69
		Mr. Dilip Seth	1.18	16.88
		Mr. Gautam	0.64	0.93
		Mr. Karan Moolchandani	-	0.74
		Mr. Raghav Moolchandani	1.11	1.50
		Mr. Varun Moolchandani	0.93	-
		<b>Total</b>	<b>6.27</b>	<b>24.37</b>
<b>Rent Payable</b>				
		Mr. Anil Moolchandani	-	0.43
		Mr. Raghav Moolchandani	-	0.46
		Mr. Karan Moolchandani	0.24	-
		Mrs. Pushpa Moolchandani	0.29	-
		<b>Total</b>	<b>0.53</b>	<b>0.89</b>
<b>Unsecured Loan Payable</b>				
		Mr. Anil Moolchandani	-	415.00
		<b>Total</b>	<b>-</b>	<b>415.00</b>
<b>Trade Payable</b>				
		M/s. Kyor	3.70	13.70
		<b>Total</b>	<b>3.70</b>	<b>13.70</b>
		<b>Total Outstanding Payable</b>	<b>10.50</b>	<b>453.96</b>
<b>Outstanding Receivable</b>				
<b>Trade Receivable</b>				
		M/s. Kyor	-	12.22
		<b>Total</b>	<b>-</b>	<b>12.22</b>
<b>Other Receivable</b>				
		M/s. Empire Greeting And Gifts Pvt. Ltd.	12.60	12.60
		<b>Total</b>	<b>12.60</b>	<b>12.60</b>
		<b>Total Outstanding Receivable</b>	<b>12.60</b>	<b>24.82</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 32. EMPLOYEE BENEFITS (IND AS - 19)

The principal assumptions used in actuarial valuation are as below:

	31 March 2019	31 March 2018
Discount Rate (per annum)	7.05%	7.45%
Salary growth rate (per annum)	2.00%	2.00%

#### Assets and Liabilities (Balance Sheet Position)

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Present Value of Obligation	90.17	375.16	76.46	306.29
Fair value of Plan Assets	33.51	299.33	18.34	258.93
Surplus / (Deficit)	(56.66)	(75.83)	(58.11)	(47.36)
Net Asset / (Liability)	(56.66)	(75.83)	(58.11)	(47.36)

#### Changes in the Present Value of the Obligations

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Present Value of Obligation as at the beginning	76.46	306.29	83.29	333.04
Current Service Cost	18.77	27.71	19.98	24.76
Interest Expense or Cost	5.69	22.80	5.41	21.63
Re-measurement (or Actuarial) (gain) / loss arising from:				
-change in demographic assumptions	-	-	-	-
-change in financial assumptions	1.65	8.42	(5.61)	(27.58)
-experience variance (i.e. Actual experience vs assumptions)	(1.40)	29.41	(6.35)	20.04
Past Service Cost	-	-	-	14.63
Benefits Paid	(11.00)	(19.46)	(20.27)	(80.23)
Present Value of Obligation as at the end	90.17	375.16	76.46	306.29

#### Changes in Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Fair Value of Plan Assets as at the beginning	18.34	258.93	13.66	289.29
Investment Income	1.37	19.28	0.89	18.79
Employer's Contribution	13.32	39.51	3.75	29.17
Benefits Paid	-	(19.46)	-	(80.23)
Return on plan assets, excluding amount recognised in net interest expense	0.48	1.07	0.05	1.92
Fair Value of Plan Assets as at the end	33.51	299.33	18.34	258.93

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### Expenses Recognised in the Income Statement

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Current Service Cost	18.77	27.71	19.98	24.76
Past Service Cost	-	-	-	14.63
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.33	3.53	4.52	2.84
Re-measurement (or Actuarial) (gain) / loss arising from:				
-change in demographic assumptions	-	-	-	-
-change in financial assumptions	1.65	-	(5.61)	-
-experience variance (i.e. Actual experience vs assumptions)	(1.40)	-	(6.35)	-
Return on plan assets, excluding amount recognised in net interest expense	(0.48)	-	(0.05)	-
Expenses Recognised in the Income Statement	22.86	31.23	12.50	42.23

### Other Comprehensive Income

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Actuarial (gains) / losses				
-change in demographic assumptions	-	-	-	-
-change in financial assumptions	-	8.42	-	(27.58)
-experience variance (i.e. Actual experience vs assumptions)	-	29.41	-	20.04
Return on plan assets, excluding amount recognised in net interest expense	-	(1.07)	-	(1.92)
Components of defined benefit costs recognised in other comprehensive income	-	36.75	-	(9.45)

### Major categories of Plan Assets (as percentage of Total Plan Assets)

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Funds managed by Insurer	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### Present Value of Obligation (net of Plan Assets)

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Current Liability	24.08	53.48	20.60	47.36
Non-Current Liability	32.58	22.35	37.51	-
<b>Total</b>	<b>56.66</b>	<b>75.83</b>	<b>58.11</b>	<b>47.36</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### Demographic Assumptions

The principal demographic assumptions used in the actuarial valuation:

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Mortality rate (% of IALM 06-08)	100%	100%	100%	100%
Normal Retirement Age	58 Years	58 Years	58 Years	58 Years
Attrition / Withdrawal rates, based on completed years of service: (per annum)				
Upto 5 years	40%	40%	40%	40%
Above 5 years	8%	8%	8%	8%
<b>Rate of Leave Availment (per annum)</b>	<b>2%</b>	<b>-</b>	<b>2%</b>	<b>-</b>
<b>Rate of Leave Encashment during employment (per annum)</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

### Sensitivity Analysis

Increase/(Decrease) in Defined Benefit Obligation (gross)

(₹ in Lakhs)

Particulars	31 March 2019		31 March 2018	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Change in Discount Rate				
1 % increase	86.17	354.81	73.08	289.57
1 % decrease	94.57	397.70	80.18	324.78
Change in Salary Growth Rate				
1 % increase	94.76	397.87	80.35	324.93
1 % decrease	85.95	354.28	72.87	289.21
Change in Attrition Rate				
50 % increase	93.46	394.19	79.50	324.15
50 % decrease	84.70	347.09	71.42	280.38
Change in Mortality Rate				
10 % increase	90.19	375.41	76.48	306.51
10 % decrease	90.15	374.92	76.44	306.07

Expected Contribution during the next annual reporting year

(₹ in Lakhs)

	Leave Encashment Funded	Gratuity Funded
The Company's best estimate of Contribution during the next year	73.65	103.18

Maturity Profile of Defined Benefit Obligation

	Leave Encashment Funded	Gratuity Funded
Weighted average duration (based on discounted cash flows)	4 Years	6 Years

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 33. INCOME TAX

Income tax expense in the Statement of Profit and loss comprises:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Current tax	14.96	-
Deferred tax	0.06	(50.83)
MAT Credit Entitlement	(14.96)	-
Deferred tax (Other Comprehensive Income)	(10.22)	179.91
<b>Income tax expense</b>	<b>(10.16)</b>	<b>129.08</b>

Reconciliation of tax expense and the accounting profit multiplied by Income tax rate for 31 March, 2019 and 31 March, 2018:

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Accounting profit/(loss) before tax	72.67	(287.79)
Tax at India's statutory income tax rate of 27.82% (31 March 2018 27.55%)	20.22	(80.06)
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
Effect of depreciation and sale of property, plant and equipment	(33.98)	24.55
Effect of Employee benefit expenses	5.80	11.76
Effect of Unabsorbed Depreciation and Business Loss	(0.72)	2.78
Effect of Ind AS adjustments	(1.48)	(7.23)
Effect of revaluation of land	-	177.28
<b>Income tax expenses</b>	<b>(10.16)</b>	<b>129.08</b>

### 34. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to equity holders of the company. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in lights of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to Shareholders or issue of new shares. The company monitors Capital using a gearing ratio, which is net debt, divided by total capital plus net debt. Net Debt of the company includes total borrowings less cash and cash equivalents.

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Borrowings	1,601.61	1,579.66
Less: Cash and Cash Equivalents	164.14	78.41
<b>Net Debt (A)</b>	<b>1,437.47</b>	<b>1,501.25</b>
Equity	675.62	675.62
Other Equity	11,125.24	11,079.16
Total Capital	11,800.86	11,754.78
<b>Capital and Net Debt (B)</b>	<b>13,238.33</b>	<b>13,256.03</b>
<b>Gearing Ratio (A/B*100)</b>	<b>10.86%</b>	<b>11.33%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the total borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2019 and 31 March 2018.

### 35. OPERATING LEASE (IND AS-17)

The Company has entered into Operating Lease arrangements for premises. Lease payments recognised in the Statement of Profit and Loss under Non-cancelable Operating Leases in respect of these assets is ₹ 2412.88 Lakhs (31 March 2018, ₹ 2535.50 Lakhs), which includes contingent rents of ₹ 4.75 Lakhs (31 March 2018, ₹ 4.71 Lakhs).

Leases payments received (or receivable) recognised in the statement of profit and loss ₹ 59.40 Lakhs (31 March 2018, ₹ 56.25 Lakhs), The Lease Agreements are further renewable after its expiry of initial term with a mutual consent, subject to revision in Lease rentals.

(₹ in Lakhs)

Particulars	31 March 2019	31 March 2018
Lease Rent Payable not later than one year	2,225.08	2,036.55
Lease Rent Payable later than one year but not later than five years	6,152.77	6,577.92
Lease Rent Payable later than five years	1,691.55	1,282.88

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

36. On 14 February, 2019, a fire was occurred at the head office premise of the company causing damage to the Property, Plant and Equipment having written down value on the date of fire of ₹37.76 Lakhs completely damaged and ₹172.07 Lakhs repairable. Similarly, the amount of Inventory damaged in the accident was ₹473.14 Lakhs and repairable of value ₹2.93 Lakhs.

(₹ in Lakhs)

Property, Plant and Equipment	Insurance Cover	Gross Value	Replacement Value	WDV as on 14 February 2019
Furniture & Fixture - Burnt	682.00	29.38	331.13	11.56
Furniture & Fixture - Repairable		292.24		171.89
Office Equipment - Burnt		34.19		12.50
Computer System - Burnt	70.00	81.59	75.32	13.70
Computer System - Repairable		2.83	2.77	0.18
<b>Total</b>	<b>752.00</b>	<b>440.23</b>	<b>450.60</b>	<b>209.83</b>
Property, Plant and Equipment-Burnt				37.76
Property, Plant and Equipment-Repairable				172.07
Inventory	Insurance Cover	Cost	Cost	Cost
Burnt	586.00	473.14	473.14	473.14
Repairable		2.93	2.93	2.93
<b>Total Inventory</b>	<b>586.00</b>	<b>476.07</b>	<b>476.07</b>	<b>476.07</b>
<b>Grand Total</b>	<b>1338.00</b>	<b>916.30</b>	<b>926.67</b>	<b>685.90</b>

The Company has filed insurance claim against the above loss 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).

Quantum of the recoverable amount of insurance claim is uncertain as the final assessment of the loss is under process by the insurance company.

### 37. EARNING PER SHARE (IND AS - 33)

	31 March 2019	31 March 2018
Profit / (Loss) after Tax (₹ in Lakhs)	72.61	(236.96)
Weighted Average Number of Equity Shares (No. in Lakhs)	337.80	337.80
Nominal value per Equity Share (₹)	2/-	2/-
Basic & Diluted Earnings per Share (₹)	0.21	(0.70)

#### As per our report of even date attached

For J.P., Kapur & Uberai  
Chartered Accountants  
(Firm Registration No. 000593N)

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

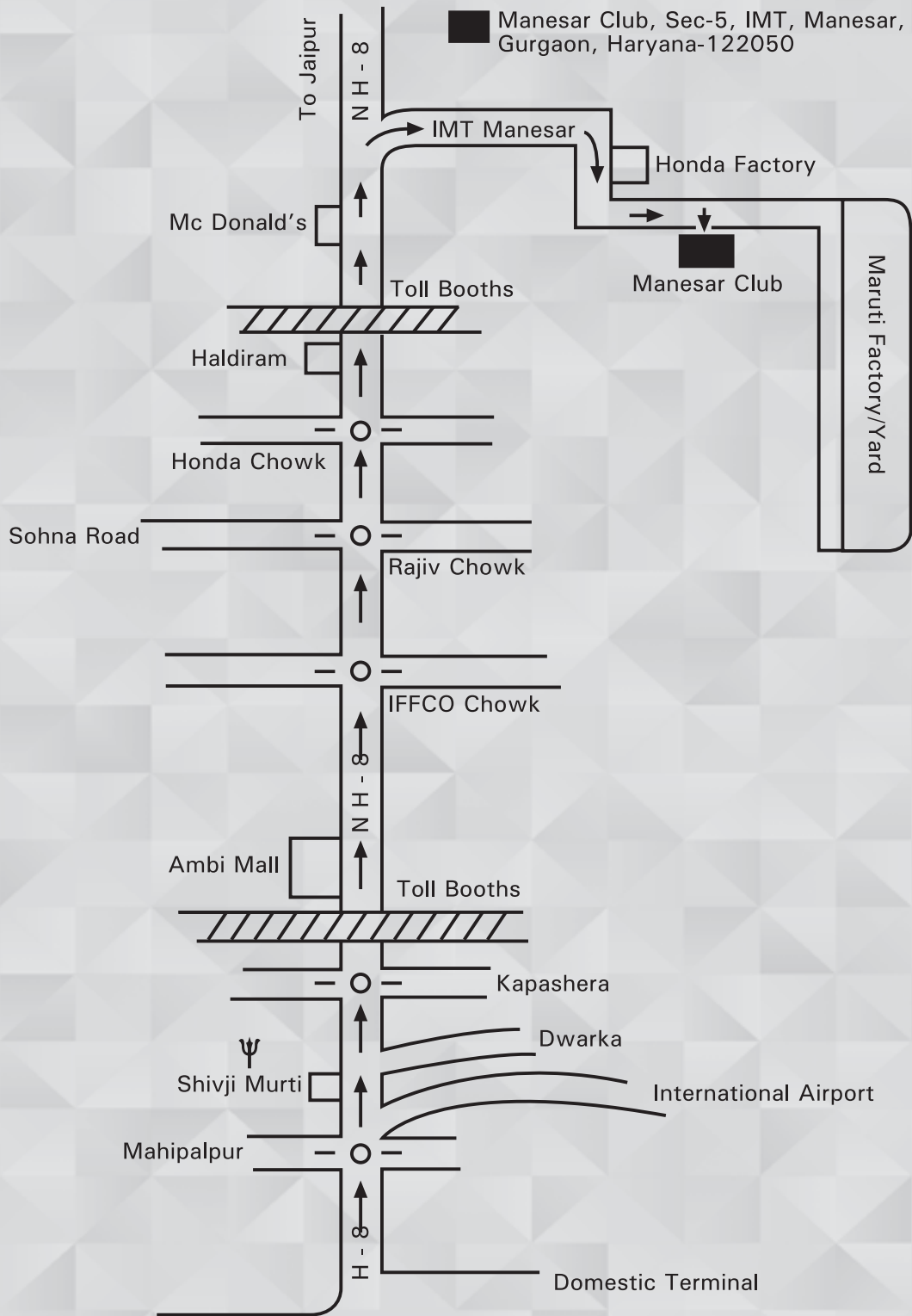
Place: Gurugram  
Date: 28 May 2019

#### For and on behalf of the Board

Anil Moolchandani  
Chairman and  
Managing Director

Gautam  
Company Secretary

Dilip Seth  
Director (Finance)  
and CFO



# ARCHIES LIMITED

CIN: L36999HR 1990PLC041175

Regd. Office : 191F, Sector - 4, IMT Manesar Gurugram, Haryana - 122050

Tel. No. +91 124 4966666 Fax No. : +91 124 4966650

Website : www.archiesonline.com / Email ID : archies@archiesonline.com

## PROXY FORM

Name of the member (s) :

Registered address :

E-mail ID :

Folio No/ Client ID;

DP ID:

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

1. Name : ..... Address: .....  
E-mail Id : ..... Signature:....., or failing him

2. Name : ..... Address: .....  
E-mail Id : ..... Signature:....., or failing him

3. Name : ..... Address: .....  
E-mail Id : ..... Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company to be held on Friday, the 27th day of September, 2019 at 11.00 a.m. at Auditorium, Manesar Club, Sector-5, IMT Manesar, Gurugram, Harhyana - 122050 India, and at any adjournment there of in respect of such resolutions as are indicated below:

Sl. No.	Resolution	Vote (Optional, see Note 2)		
		For	Against	Abstain
<b>ORDINARY BUSINESS (ES)</b>				
1.	To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial Year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon.			
2.	To re-appoint Mr. Anil Moolchandani (DIN: 00022693) who retires by rotation and being eligible officers himself for re-appointment.			
<b>SPECIAL BUSINESS (ES)</b>				
3.	Re-appointment of Mr. Sunil Behl as an independent Director of the Company for the further period of 5 years with effect from 23.09.2019.			
4.	Re-appointment of Mr. Arun Singhal as an independent Director of the Company for the further period of 5 years with effect from 23.09.2019.			
5.	Re-appointment of Mr. Anil Moolchandani as Chairman and Executive Director of the Company for the period of 2 (two) years effect from 10.08.2019			
6.	Appointment of Mr. Varun Moolchandani as Director (Executive) of the Company for the period of 2 (two) years with effect from 25.06.2019			
7.	Re-appointment of Mr. Dilip Seth as whole time Director (Finance) and Chief Financial Officer (CFO) of the Company for the further period of 2 (two) years with effect from 05.08.2019.			
8.	Regularisation of Mr. Kanav Dev Sharma as a Director (Non-Executive & Independent) of the Company.			

Signed this..... day of ..... 2019.

Signature of the shareholder.....

Signature of Proxy holder(s).....

Note :

1. This form of proxy in order to be effective, should be duly completed and deposited at the office of the Company, not less than 48 hours before the commencement of the Meeting
2. It is optional to indicate your preference. If you leave the 'for', against' or 'abstain' blank against any or all the resolutions, your proxy will be entitled to vote in the manner he/she deem appropriate.
3. A proxy need not be a member of the company.

Affix  
1 Rupee  
Revenue  
Stamp

# ARCHIES LIMITED

CIN: L36999HR 1990PLC041175

Regd. Office : 191F, Sector - 4, IMT Manesar Gurugram, Haryana - 122050

Tel. No. +91 124 4966666 Fax No. : +91 124 4966650

Website : www.archiesonline.com / Email ID : archies@archiesonline.com

## ATTENDANCE SLIP

Twenty Ninth Annual General Meeting - September 27, 2019

Regd. Folio No./DP Client ID

No. of Shares held

I certify that I am a member/proxy for the member of the Company.

I hereby recor my presence at the TWENTY NINTH ANNUAL GENERAL MEETING of the Company at Manesar Club, Sector-5, IMT Manesar, Gurugram, Haryana - 122050 India, and adjournment thereof, at 11:00 a.m. on Friday, September 27, 2019.

Member's / Proxy's Name.....  
(In Block Letters)

Signature of Member / Proxy .....

- Notes :
1. Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall.
  2. Members are requested to bring their copies of the Annual Report at the meeting.
  3. **Please note that no gifts/company products will be distributed at the meeting.**







*The most special way to say you care*

**ARCHIES LIMITED**

CIN : L36999HR1990PLC041175

Regd. Office : 191F, Sector-4, IMT Manesar, Gurgaon, Haryana - 122050

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