

Date: 03rd September, 2020

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 1st Floor, New Trading Wing, P.J. Towers Dalal Street Fort, Mumbai-400001 Scrip Code – 532212
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Subject: Submission of 30th Annual General Meeting Notice cum Annual Report for F.Y. 2019-2020 of Archies Limited

In Ref: Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to the above captioned subject and pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the 30th Annual General Meeting (30th AGM) of Archies Limited (“Company”) is scheduled to be held on Friday, September 25, 2020 at 02.30 P.M. through Video Conferencing/ Other Audio Visual Means (“VC/OAVM”) Facility. The Notice for the said Annual General Meeting and Annual Report 2019-20 is enclosed herewith.

Notice of AGM along with Annual Report for the Financial Year 2019-20 is being sent to all the members of the Company whose e-mail addresses are registered with the Company, Registrar and Transfer Agent (RTA) or Depository Participant(s).

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, 19th September 2020 to Friday 25th September 2020 (both days inclusive) for the purpose of 30th 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, 18th September, 2020 may cast their votes electronically through remote e- voting facility 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 22, 2020 to Thursday, 05:00 P.M. on September 24, 2020.


The Notice of 30th AGM and Annual Report are also available on the Company website i.e. www.archiesonline.com.

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)



ANNUAL REPORT 2019-2020



Board of Directors



Mr. Anil Moolchandani

Chairman-cum-Managing Director

Mr. Jagdish Moolchandani

Director (Executive)

Mr. Varun Moolchandani

Director (Executive)

Mr. Sunil Behi

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

Mr. Kamlesh Kumar Thakur

Chief Financial 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, Haryana-122050

Corporate Office

C-113, Naraina Industrial Area Phase-1,

New Delhi-110028

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LET'S FALL
IN
LOVE



A close-up photograph of a woman with dark hair, smiling warmly as she looks down at a gift box. The gift box is wrapped in black paper and tied with a vibrant pink ribbon. The background is softly blurred, suggesting an indoor setting with warm lighting.

You
MAKE ME
SMILE

DO what you
LOVE
and
Love
WHAT YOU
DO





START
YOUR
morning
with a
SMILE



Enjoy
every
moment





FROM THE CHAIRMAN'S DESK

Dear Friends,

We are living in unprecedented times. Never has the whole planet shut down for business, with people huddled in fear.

For us, everytime we see light at the end of the tunnel, it only turns out to be an onrushing train.

Based on what we had decided in the previous year, we continued to close loss making stores, while being very careful in opening new ones.

Little did we know that there were bigger plans than ours, in the universe. By the time the biggest crowd puller to our stores, Valentine's Day came around, the effects of Covid 19 were already being felt across markets, with footfalls down at malls across the country.

Our best quarter in terms of retail sales, turned ended badly, with the month of March a non performer.

The first quarter of the current year, just about managed to open it's innings as states across the country slowly unlocked themselves. Some sectors will see Zero Sales even in the second quarter.

We have had to shut quite a few stores, which had become unviable due to lack of footfalls in their areas.

Globally, retail that falls into discretionary spending, is struggling with stores doing an average of 20% to 25% of their pre Covid 19 sales. People are just not going out to shop. Our government just released figures where India's GDP has shrunk by almost 25% in the Apr to Jun quarter.

We continue to tighten our belts, while planning for a post Covid Vaccine world, where the fear of social interactions will no longer be there.

We can only hope, pray and plan for a brighter tomorrow and wish that everyone our our stakeholders, customers, employees, vendors, stay safe and well.

Yours Truly

Anil Moolchandani
Chairman & Managing Director
Archies Limited

Year At A Glance

(₹ in Lakhs)

S. No. Particulars	2019-2020	2018-2019	2017-2018
1. Total Turnover	13931.79	16136.44	15782.07
2. Other Income	177.19	183.84	202.39
3. Total Expenditure	12330.47	15620.26	15586.94
4. Profit before Depreciation, Interest and Tax (PBDIT)	1778.51	700.02	397.52
5. PBDIT as a % of Total Turnover	12.77	4.34	2.52
6. Finance Costs	958.41	269.79	282.35
7. Depreciation	1842.01	357.56	402.96
8. Profit/ Loss Before Tax(PBT)	(1021.91)	72.67	(287.79)
9. PBT as a % of Total Turnover	(7.34)	0.45	(1.82)
10. Extraordinary Item	0.00	0.00	0.00
11. Profit before tax after extraordinary item	(1021.91)	72.67	(287.79)
12. Provision for Taxation	(304.33)	0.06	(50.83)
13. Profit after Tax(PAT)	(717.58)	72.61	(236.96)
14. PAT as a % of Total Turnover	(5.15)	0.45	(1.50)
15. Paid up Equity Share Capital	675.62	675.62	675.62
16. Reserves(excluding revaluation reserves)	9022.86	9814.14	9768.06
17. Net Worth	9698.48	10489.79	10443.68
18. Earnings Per Share of Face value `2 (in`)	(2.12)	0.21	(0.70)
19. Book Value Per Share of Face value `2 (in`)	28.71	31.05	30.92
20. Dividend (%)	NIL	NIL	NIL
21. Amount of Dividend	0.00	0.00	0.00
22. Return on Average Net Worth (%)	(7.11)	0.69	(2.24)
23. Return on Average Capital Employed (%)	(0.45)	2.88	(0.05)

ARCHIES LIMITED

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

CIN: L36999HR1990PLC041175,

Web: www.archiesonline.com / Email: archies@archiesonline.com,

Tel: +91 124 4966666

NOTICE

NOTICE is hereby given that the 30th (Thirtieth) Annual General Meeting of the members of Archies Limited will be held on Friday, the 25th day of September, 2020 at 02:30 P.M through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact 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, 2020, the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. Varun Moolchandani (DIN: 08491624) 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 BE PROPOSED AS SPECIAL RESOLUTIONS:

3. APPOINTMENT OF MR. JAGDISH MOOLCHANDANI AS EXECUTIVE DIRECTOR OF THE COMPANY FOR THE PERIOD OF 2 (TWO) YEARS WITH EFFECT FROM 28.09.2019

"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. Jagdish 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 28.09.2019 on such remuneration of and terms & conditions as detailed below:

1. **Term** : 28th September, 2019 to 27th September, 2021
2. **Nature of Duties**: Mr. Jagdish 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.1,05,546/- 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. 1,70,000/- 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 there under.
5. **Minimum Remuneration**: The above remuneration shall also be paid as minimum remuneration to Mr. Jagdish 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."

4 CHANGE IN DESIGNATION OF MR. ANIL MOOLCHANDANI AS CHAIRMAN AND MANAGING DIRECTOR FROM CHAIRMAN AND EXECUTIVE DIRECTOR OF THE COMPANY FOR THE PERIOD OF 2 (TWO) YEARS WITH EFFECT FROM 28.08.2020

"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. Anil Moolchandani, be and is hereby

appointed as Chairman and Managing Director of the Company from Chairman and Executive Director of the Company for a period of 2 (Two) years w.e.f 28.08.2020 on such remuneration of and terms & conditions as detailed below:

1. **Term** : 28th August 2020 to 27th August 2022.
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. **Basic Salary**: Rs. 50,000/- per month (Consolidated)
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.”

Place : New Delhi

Date : August 28, 2020

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

Tel No : +91 1244966666 Fax No : +91 124 4966650

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

By order of the Board

Anil Moolchandani
(Chairman & Managing Director)
(DIN: 00022693)

NOTES

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and Circular number SEBI/HO/CFD/C MD1/ CIR/P/2020/79 dated May 12, 2020, issued by the Securities and Exchange Board of India (SEBI) (collectively referred to as Circulars), has allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the Circulars, the AGM of the Company is being held through VC/OAVM.
2. As the AGM shall be conducted through VC/ OAVM, the facility for appointment of Proxy by the Members is not available and hence, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 (Act).
4. Members under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to mail to **investorservices@archiesonline.com**, a scanned copy (PDF/JPEG format) of the Board Resolution authorising their representatives to attend and vote at the AGM, pursuant to Section 113 of the Act.
5. An Explanatory Statement pursuant to the provisions of Section 102 of the Act in respect of Special Business to be transacted at the AGM is annexed and forms part of the Notice. The Board of Directors have considered and decided to include Item Nos. 3 to 4 given above a Special Business in forthcoming AGM, as they forthcoming AGM, as they are unavoidable in nature.
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 -1 to the Notice of Annual General Meeting. The directors have furnished consent/ declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
6. Register of Members and Share Transfer Register will be closed from Saturday, September 19, 2020 to Friday, September 25, 2020, (both days inclusive).
7. Dividend for the year ended March 31, 2020, if declared, at the AGM, shall be paid to those Members, whose names appear: -
 - a. as beneficial owners at the end of business hours on Friday, September 18, 2020, as per lists furnished by Central Depository Services (i) Limited (CDSL) and National Securities Depository Limited (NSDL), in respect of shares held in electronic form; and
 - b. on the Register of Members of the Company as on Friday, September 18, 2020, after giving effect to valid transfers in respect of transfer requests lodged with the Company/Link Intime India Private Limited (LIPL), Registrar and Share Transfer Agent (RTA) on or before the close of business hours on Friday, September 18, 2020, in respect of shares held in physical form.
8. Members holding shares in dematerialised form are requested to intimate all particulars of bank mandates, nominations, power of attorney, change of address, e-mail address, contact numbers, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate such details to the RTA.
In order to enable the Company to remit dividend electronically through National Automated Clearing House (NACH), National Electronic Funds Transfer (NEFT), etc., Members holding shares in physical form are requested to provide/update details of their bank accounts indicating the name of the bank, branch, account number and the nine- digit MICR code and IFSC code (as appearing on the cheque) along with scanned copy of the cheque/ cancelled cheque at **rnt.helpdesk@linkintime.co.in**. Members holding shares in dematerialised form are requested to provide the said details to their DP. The Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The details are explained in the e-mail under which this Notice is sent to the Members.
9. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.
10. Members who have not encashed their dividend warrants for the year ended March 31, 2013 or any subsequent year(s) are requested to lodge their claims with the RTA at the earliest
11. Amounts of dividend remaining unclaimed/ unpaid for a period of seven years are required to be transferred to the 'Investor Education and Protection Fund'. Accordingly, unpaid dividend up to the year ended March 31, 2012, has already been transferred to the said Fund.
12. Register of Directors and Key Managerial Personnel and their shareholdings and Register of Contracts or Arrangements in which Directors are interested, maintained under Sections 170 and 189 of the Act, respectively will be available electronically for inspection by the Members. All documents referred to in the Notice will also be available for electronic inspection by the Members without payment of any fee from the date of circulation of this Notice up to the date of AGM, i.e. September 25, 2020.
Members seeking to inspect such documents are requested to send an email to **investorservices@archiesonline.com**. Inspection shall be provided at a mutually convenient time.

13. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the AGM and Annual Report for the year ended March 31, 2020 are being sent electronically to those Members whose email addresses are registered with the DP/RTA. Notice of the AGM along with the Explanatory Statement and the Annual Report for the year ended March 31, 2020, circulated to Members is also available on the websites of the Company **www.archiesonline.com** on the websites of BSE Limited and National Stock Exchange of India Limited.

Facilities to the shareholders to register their email address along with mobile number and bank account detail in one go. To avail this facility, the shareholders are required to go through the following link to register their email IDs, mobile numbers and bank account details. Click here: **https://linkintime.co.in/emailreg/email_register.html**.

This will help the Company in future to credit of dividend directly into shareholders account.

14. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in the e-mail under which this Notice is sent to the Members.
15. Members holding shares in physical form in single name are advised to avail of nomination facility. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of the shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Nomination forms can be downloaded from the website of the Company **www.archiesonline.com** or obtained from the RTA. Members are requested to submit the said details to their DP in case shares are held in electronic form and to the RTA in case shares are held in physical form.
16. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
17. Members are requested to:-
- Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
 - Approach the RTA for consolidation of multiple ledger folios into one; and
 - To avoid inconvenience, get shares transferred in joint names, if they are held in a single name and/or appoint a nominee
18. NRI Members are requested to inform the RTA immediately of:-
- Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
 - Change in their residential status and address in India on their return to India for permanent settlement.
19. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to **investorservices@archiesonline.com** at least seven days before the date of the meeting. The same will be suitably replied to by the Company.
20. As shares of the Company are traded under compulsory demat, Members are requested to dematerialise their shareholding to avoid inconvenience.

Place: New Delhi

Date: August 28, 2020

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

Tel No: +91 1244966666 Fax No: +91 124 4966650

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

**By Order of the Board of Directors
By order of the Board**

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

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 30th 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 Mr. Naveen Shree Pandey, Practising Company Secretary (FCS No. 9028 & CP. No. 10937) Proprietor of M/s NSP & Associates, Company Secretaries as the Scrutinizer for this purpose.

II. E-Voting Instructions

The voting period begins at 9.00 A.M on 22nd September, 2020 and ends on 5.00 P.M on 24th September, 2020. 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 18th September, 2020, 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:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under: -

- Click on '**Sign Up**' under '**SHARE HOLDER**' tab and register with your following details: -

A. User ID: Enter your User ID

- Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
- Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**
- Members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above.**
- Members holding shares in **NSDL demat account shall provide 'D', above.**
- Members holding shares in **physical form** but have not recorded '**C**' and '**D**', shall provide their Folio number in '**D**' above.
- Set the password of your choice (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).
- Click 'confirm' (Your password is now generated).

2. Click on 'Login' under '**SHARE HOLDER**' tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon for '**Archies Limited/ Event number 200196**'.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e. 'Favour/ Against', 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.

8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

If you have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select Mode and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case member is having valid email address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.

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

In case Members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or call on +91 (022) 4918 2505/4918 6000.

GENERAL INSTRUCTIONS

1. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of Friday, September 18, 2020.
2. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.
3. Any person, who acquires shares of the Company and becomes its Member after the sending of Notice of the AGM and holds shares as on the cut-off date for voting i.e. Friday, September 18, 2020, may obtain the login ID and password by sending a request to enotices@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing ID and password for casting the vote.
4. Mr. Naveen Shree Pandey, Practising Company Secretary (FCS No. 9028 & CP. No. 10937) Proprietor of M/s NSP & Associates, Company Secretaries has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner.
5. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour/against, if any, to the Chairperson or a person authorized in writing, who shall countersign the same and declare the result of the voting forthwith.
6. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company www.archiesonline.com and on the LIPL website <https://instavote.linkintime.co.in> and shall also be forwarded to BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

PROCESS AND MANNER FOR ATTENDING THE THIRTIETH AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, shareholders who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL for Insta Meet <<<https://instameet.linkintime.co.in>>> and register with your following details: -
 - a. **Demat Account No. or Folio No.:** Enter your 16-digit Demat Account No. or Folio Number registered with the Company.
 - b. **PAN:** Enter your 10-digit Permanent Account Number.
 - c. **Mobile No.:**
 - d. **Email ID:**
2. Click "Go to Meeting"
3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large Members (i.e. Members with 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, chairpersons of the audit committee, nomination & remuneration committee and stakeholders' relationship committee, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

Instructions for Shareholders/Members to Speak during the AGM through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at agm2020speakers@archiesonline.com, atleast 3 days in advance prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Tuesday, September 22, 2020.
2. Speakers will only be allowed to express their views/ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Shareholders who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at **agm2020speakers@archiesonline.com**, atleast 3 days in advance prior to the date of AGM i.e. on or before 4.00 p.m. (IST) on Tuesday, September 22, 2020. The same will be replied by the Company suitably
4. Shareholders will get confirmation on first come first served basis depending upon the provision made by the Company.
5. Shareholders will receive 'speaking serial number' once they mark attendance for the meeting. Shareholders are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Shareholders to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/Moderator during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under: -

1. On the shareholders VC page, click on the link for e-Voting 'Cast your vote'.
2. Enter your 16 digit Demat Account No./Folio No. and OTP (received on the registered mobile number/ registered Email ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see 'Resolution Description' and against the same the option '**Favour/Against**' for voting.
4. 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**'.
5. After selecting the appropriate option i.e. '**Favour/ Against**' as desired and you have decided to vote, click on 'Save'. A confirmation box be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.
6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders present at the AGM through InstaMeet facility and who have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting from 2.30 p.m. till the expiry of 15 minutes after the AGM is over. Shareholders who have voted through remote e-voting prior to the AGM will be eligible to attend/participate in the AGM through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case shareholders have any queries regarding e-voting, they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

ANNEXURE- 1 TO THE NOTICE OF AGM

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. Jagdish Moolchandani	Mr.Varun Moolchandani
Age	67Y	66Y	39Y
Qualification	B.A.	B.A.	Graduate from Delhi University
Experience (including expertise in specific functional area) / Brief Resume	Over 44 years' of Management experience in the Social Expression Industry & one of the promoter of the Company.	Over 44 years' of Management experience in the Social Expression Industry & one of the promoter of the Company.	21 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.
Terms and Conditions of Appointment / Re-appointment	As per Agreement	As per Agreement	As per Agreement
Remuneration last drawn as director (including sitting fees, if any) (in Rs.)	NIL	1,04,607	1,38,387
Remuneration proposed to be paid	As per Agreement	As per Agreement	As per Agreement
Date of first appointment on the Board	22/05/1990	01/07/2011	25/06/2019
Shareholding in the Company as on March 31, 2020	7061607	4253230	1844890
Relationship with other Directors / Key Managerial Personnel	Brother of Mr. Jagdish Moolchandani and Father of Mr. Varun Moolchandani	Brother of Mr. Anil Moolchandani and Paternal Uncle of Mr. Varun Moolchandani	Son of Mr. Anil Moolchandani and Nephew of Mr. Jagdish Moolchandani
Number of meetings of the Board attended during the year (as director)	5	3	3
Directorships of other Boards as on March 31, 2020	Empire Greeting and Gifts Private Limited	Empire Greeting and Gifts Private Limited	NIL
Membership / Chairmanship of Committees of other Boards as on March 31, 2020	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 NO. 3

The Board of Directors of the Company ("the Board") at its meeting held on September 28, 2019 has, subject to approval of members, appointed Mr. Jagdish Moolchandani as an Additional Director, (Executive) of the Company, for a period of 2 (two) years w.e.f. 28.09.2019, 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 regularisation of appointment of and remuneration payable to Mr. Jagdish 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. Jagdish Moolchandani are as under:

1. **Term:** 28.09.2019-27.09.2021
2. **Nature of Duties:** Mr. Jagdish 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.1,05,546/- 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. 1,70,000/- 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, personalmedical/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 there under.
5. **Minimum Remuneration:** The above remuneration shall also be paid as minimum remuneration to Mr. Jagdish Moolchandani in 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. Jagdish 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. Jagdish Moolchandani as an Executive Director. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. Jagdish 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. Jagdish 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. Jagdish Moolchandani under Section 190 of the Act.

Details of Mr. Jagdish Moolchandani are provided in Annexure-1 to the Notice of AGM 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. Jagdish Moolchandani is interested in the resolution set out at Item No.3 of the Notice.

The relatives of Mr. Jagdish Moolchandani may be deemed to be interested in the resolution set out at Item No. 3 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. 3 of the Notice for approval by the members.

ITEM NO. 4

The Board of Directors of the Company ("the Board") at its meeting held on August 28, 2020 has, subject to approval of members, appointed Mr. Anil Moolchandani as a as Chairman and Managing Director of the Company from Chairman and Executive Director of the Company, for a period of 2 (two) years with effect from 28.08.2020, 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 appointment of and remuneration payable to Mr. Anil Moolchandani as Chairman and Managing Director of the Company from Chairman and 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. Anil Moolchandani are as under:

1. **Term:** 28th August 2020 to 27th August 2022.
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:** Rs. 50,000/- per month (Consolidated)
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.

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 appoint Mr. Anil Moolchandani as a Chairman and Managing Director. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. Anil Moolchandani as a Chairman and Managing 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 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. Anil Moolchandani under Section 190 of the Act.

Details of Mr. Anil Moolchandani are provided in Annexure-1 to the Notice of AGM 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.4 of the Notice.

The relatives of Mr. Anil Moolchandani may be deemed to be interested in the resolution set out at Item No. 4 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. 4 of the Notice for approval by the members.

Place: New Delhi

Date: August 28, 2020

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

Tel No: +91 1244966666 Fax No: +91 124 4966650

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

By order of the Board

Anil Moolchandani

(Chairman & Managing Director)

(DIN: 00022693)

DIRECTOR'S REPORT

To The Members,

Your Directors have great pleasure in presenting Thirtieth Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March 2020.

PERFORMANCE REVIEW

During the year under review your Company recorded a Revenue from operations of Rs. 13931.79 Lakhs as compared to Rs. 16136.44 Lakhs in the previous financial year showing a decrease of 13.66% and the net profit/ (loss) after tax stood at Rs. (717.58) Lakhs in the current financial year as against Rs. 72.61 Lakhs in the previous financial year, showing a decrease of 1088.27%.

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

- The Turnover of the gift segment is Rs. 8756.30 lakhs as compared to Rs. 10489.83 lakhs previous year, decreased by 16.53%.
- The Turnover of the Greeting card segment is Rs. 1816.98 lakhs as compared to Rs. 2406.49 lakhs previous year, down by 24.50%.
- The stationery sale is Rs. 2678.36 lakhs as compared to Rs. 2716.84 lakhs in the previous year, decreased by 1.42%.

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

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED

	31st March 2020	31st March 2019
Income from Operations	13,931.79	16136.44
Other Income	177.19	183.84
Total Expenditure	12,330.47	15620.26
Operating Profit (PBDIT)	1778.51	700.02
Interest & Finance Charge	958.41	269.79
Depreciation	1842.01	357.56
Profit before Tax (PBT)	(1021.91)	72.67
Provision for taxation		
Current	0.00	14.96
Deferred	(312.43)	0.06
MAT Credit Entitlement	0.00	14.96
Profit after Tax	(717.58)	72.61
APPROPRIATIONS		
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	(717.58)	72.61

DIVIDEND

In view of the loss, 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 2019-20.

TRANSFER OF UNPAID UNCLAIMED DIVIDEND AND SHARES TO IEPF

During the FY 2019-20, unclaimed dividend for FY 2011-12 amounting to Rs. 2,56,542 (Rupees Two Lakh Fifty Six Thousand Five Hundred Forty 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. Details of such transferred shares are available at the Company's website i.e. 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 22 retail stores and closed total 43 retail stores. As on 31st March 2020 the numbers of company owned/managed stores were 197.

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 E-commerce 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.

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 followings 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 2020, 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, 2020 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 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. Varun Moolchandani retires by rotation and being eligible, has offered to be re-appointed at the ensuing Annual General Meeting.

The Board met five times during the year under review. Meetings were held on 28th May 2019, 10th August 2019, 28th September 2019, 13th November 2019 and 07th February, 2020.

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 28th May, 2019, 10th August, 2019 & 28th September, 2019 approved the following change in directorship of the Company as under:

- a) Mr. Anil Moolchandani is re-appointed as a Chairman and Non-Executive Director of the Company for a period of 2 (two) years with effect from 28th June, 2019 from its existing designation as Chairman and Managing Director.
Further he has been 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.
Further he has been appointed as a Chairman and Managing Director of the Company for a period of 2 (two) years with effect from 28th August, 2020 from its existing designation as Chairman and Executing Director in the Board Meeting held on 28th August, 2020 subject to the approval of members in ensuing Annual General Meeting.
- b) 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.
He has resigned from the post of Whole Time Director & CFO of the Company with effect from 04th August, 2020.
- c) 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.
- d) 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.
- e) 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.
- f) 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 19.08.2019.
- g) Mr. Jagdish Moolchandani is appointed as Executive Director of the Company for a period of 2 (two) year with effect from 28.09.2019 in the Board Meeting held on 28th September, 2019 subject to the approval of members in ensuing Annual General Meeting.

KEY MANAGERIAL PERSONNEL

The details of the Key Managerial personnel are as under:

S. No.	Name	Designation
1	Mr. Anil Moolchandani*	Chairman and Executive Director
2	Mr. Dilip Seth**	Director (Finance) & CFO
3	Mr. Hitesh Kumar***	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.

Further he has been re-appointed as a Chairman and Managing Director of the Company for a period of 2 (two) years with effect from 28th August, 2020 from its existing designation as Chairman and Executive Director.

** Mr. Dilip Seth, Whole Time Director (Finance) and CFO of the Company has resigned from the Company with effect from 04.08.2020.

Mr. Kamlesh Thakur has been appointed as CFO of the Company with effect from 28th August, 2020.

*** 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 1 (outstanding) - 5 (poor) 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 2019-20 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 2020-21. 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. Weblink for Annual Return is <https://www.archiesonline.com/investors/annual-return>.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Board has appointed M/s. Dayal & Maur, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 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 2019-20 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. 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 2018-19, the Company has not spent any amount on CSR Activities in the Financial Year 2019-20. 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, 2020 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.

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 part 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 29 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**

**Place : Delhi
Date : 28th August, 2020**

**Chairman & Managing Director
(DIN: 00022693)**

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, Uganda, Rwanda, Kenya, United States of America, Australia, Egypt, 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.

	FOR THE YEAR ENDED	
	(₹ in Lakhs)	
	31st March 2020	31st March 2019
b) Total foreign exchange used and earned		
(A) Total Foreign Exchange Earned	65.17	174.75
(B) Total Foreign Exchange Used	2416.58	2073.35

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2020

[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. CIN:	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:	LINK INTIME INDIA (PRIVATE) LIMITED Noble Heights, 1st Floor, Plot NH 2, C-1 Block,LSC, Janakpuri, New Delhi- 110058 shamwant.kushwah@linkintime.co.in swapann@linkintime.co.in Mr. Swapan Kumar Tel: +91 11 49411000 Extn: 7113
Contact Person	

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 company of main products / services	NIC Code of the Product/ service	% to total turnover of the
1.	Printing and Service activities related to printing	181	13.42%
2.	Retail sale of cultural and recreation goods in specialized stores	476	19.78%
3.	Retail Sale of Other Goods in Specialized Stores	477	66.80%

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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 2019				Shareholding at the end of the year - 2020				% Change During the year
		Demat	Physical	Total	Total Shares	Demat	Physical	Total	Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	20722307	0	20722307	61.34	20941447	0	20941447	61.99	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
(d)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(1)	20722307	0	20722307	61.34	20941447	0	20941447	61.99	0.64
[2]	Foreign									
(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
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A) (2)	20722307	0	20722307	61.34	20941447	0	20941447	61.99	0.64
(B)	Public Shareholding									
[1]	Institutions									
(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	37915	0	37915	0.11	1000	0	1000	0.00	-0.11
(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
	Sub Total (B)(1)	113415	0	113415	0.34	76500	0	76500	0.23	-0.11
[2]	Central Government/ State Government(s) / President of India									

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 2019				Shareholding at the end of the year - 2020				% Change During the year
		Demat	Physical	Total	Total Shares	Demat	Physical	Total	Total Shares	
	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	8961117	193673	9154790	27.10	8804898	178580	8983478	26.59	-0.51
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	746204	0	746204	2.21	782675	0	782675	2.32	0.11
(b)	NBFCs registered with RBI	842	0	842	0.00	0	0	0	0.00	0.00
	Trust Employees	0	0	0	0.00	1000	0	1000	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	95595	0	95595	0.28	106717	0	106717	0.32	0.03
	Foreign Nationals	600	0	600	0.00	600	0	600	0.00	0.00
	Hindu Undivided Family	559436	0	559436	1.66	605133	0	605133	1.79	0.14
	Non Resident Indians (Non Repat)	121059	0	121059	0.36	98756	0	98756	0.29	-0.07
	Non Resident Indians (Repat)	255161	0	255161	0.76	205170	0	205170	0.61	-0.15
	Clearing Member	224686	0	224686	0.67	55015	0	55015	0.16	-0.50
	Bodies Corporate	1773905	12000	1785905	5.29	1911509	12000	1923509	5.69	0.41
	Sub Total (B)(3)	12738605	205673	12944278	38.32	12571473	190580	12762053	37.78	-0.54
	Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)	12852020	205673	13057693	38.66	12647973	190580	12838553	38.00	-0.65
	Total (A)+(B)	33574327	205673	33780000	100.00	33589420	190580	33780000	100.00	0.00
(C)	Non Promoter - Non Public									
[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
	Total (A)+(B)+(C)	33574327	205673	33780000	100.00	33589420	190580	33780000	100.00	

ii. Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in Shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	
1	ANIL MOOLCHANDANI	7061607	20.90	0.00	7061607	20.90	0.00	0.00
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	1844890	5.46	0.00	0.63
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
9	Shweta Moolchandani	0	0	0.00	5000	0.01	0.00	0.01
	Total	20722307	61.34	0.00	20941447	61.99	0.00	0.64

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

MGT-9 IV. Change in Promoter's Shareholding							
Sr No	Name & Type of Transaction	Shareholding at the beginning of the year – 2019		Transactions during the year		Cumulative Shareholding at the end of the year – 2020	
		No. of shares Held	% of Total shares of the Company	Date of Transaction of the Company	No. of shares Held	No. of shares Held	% of Total shares of the Company
1	ANIL MOOLCHANDANI	7061607	20.90			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					2964250	8.78
4	KARAN MOOLCHANDANI	1852000	5.48			1852000	5.48
	AT THE END OF THE YEAR					1852000	5.48
5	VARUN MOOLCHANDANI	1630750	4.83			1630750	4.83
	Transfer			07 Jun 2019	133000	1763750	5.22
	Transfer			21 Jun 2019	81140	1844890	5.46
	AT THE END OF THE YEAR					1844890	5.46
6	RAGHAV MOOLCHANDANI	1808120	5.35			1808120	5.35
	AT THE END OF THE YEAR					1808120	5.35
7	NEERU MOOLCHANDANI	1005000	2.98			1005000	2.98
	AT THE END OF THE YEAR					1005000	2.98
8	MANSI M CHANDOK	147350	0.44			147350	0.44
	AT THE END OF THE YEAR					147350	0.44
9	SHWETA MOOLCHANDANI	0	0.00				
	Transfer			31 Dec 2019	5000	5000	0.01
	AT THE END OF THE YEAR					5000	0.01

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

Sr No	Name For Each of the Top 10 Shareholder	Shareholding at the beginning of the year-2019		Shareholding at the end of the year-2020	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED	1100000	3.26	1200000	3.26
2	GENTLEMAN PRODUCTS P LTD	0	0.00	300000	0.89
3	CHANDER MOHAN KHULLAR	127801	0.38	235340	0.70
4	GAURAV MANOCHA	178000	0.53	178000	0.53
5	SHARDA GOYAL	115854	0.34	115854	0.34
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	95595	0.28	106717	0.32
7	MURLI MANOHAR BAHETI	99420	0.29	100281	0.30
8	M.S. KADIAN	84000	0.25	84000	0.25
9	NATIONAL INSURANCE COMPANAY LIMITED	75000	0.22	75000	0.22
10	PVR TEJA	2000	0.06	60000	0.18

v. Shareholding of Directors and Key Managerial Personnel:

Sr No	Name	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-19 to 31-03-2020)	
		No. of shares at the beginning (01-04-19)/at the end of the year (31-03-2020)	% of total shares of the company				No. of shares	% of total shares of the company
A DIRECTORS								
1	Mr. Anil Moolchandani Chairman and Executive Director	7061607	20.90	01-Apr-19	0	Nil movement during the year	7061607	20.90
		7061607	20.90	31-Mar-20			7061607	20.90
2	Mr. Jagdish Moolchandani Director	4253230	12.59	01-Apr-19	0	Nil movement during the year	4253230	12.59
		4253230	12.59	31-Mar-20			4253230	12.59
3	Mr. Dilip Seth Director (Finance) & CFO	4000	0.01	01-Apr-19	0	Nil movement during the year	4000	0.01
		4000	0.01	31-Mar-20			4000	0.01
4	Mr. Sunil Behl (Director)	1000	0.003	01-Apr-19	0	Nil movement during the year	1000	0.003
		1000	0.003	31-Mar-20			1000	0.003

5	Mr. Arun Singhal (Director)	0	0	01-Apr-19	0	Nil movement during the year	0	0
		0	0	31-Mar-20			0	0
6.	Mrs. Payal Jain Director)	0	0	01-Apr-19	0	Nil movement during the year	0	
		0	0	31-Mar-20			0	0
7.	Mr. Kanav Dev Sharma (Director)	0	0	01-Apr-19	0	Nil movement during the year	0	0
		0	0	31-Mar-20			0	0
8.	Mr. Varun Moolchandani (Director)	1630750	4.83	07-June-19	133000	Purchase from open market	1763750	5.22
				21-June-19	81140	Purchase from open market	1844890	5.46
B	KEY MANAGERIAL PERSONNEL							
1	*Mr. Gautam Company Secretary	0	0	01-Apr-19	0	Nil movement during the year	0	0
				31-Mar-20			0	0
2	**Mr. Hitesh Kumar Company Secretary	0	0	01-Apr-19	0	Nil movement during the year	0	0
				31-Mar-20		Nil movement during the year	0	0

*Mr. Gautam has resigned as Company Secretary of the Company w.e.f. 28th May, 2019.

**Mr. Hitesh Kumar appointed as Company Secretary of the Company w.e.f. 12th August, 2019.

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
Indebtedness at the beginning of the financial year				
i) Principal Amount	16,01,83,321.91	0.00	0.00	16,01,83,321.91
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total(i +ii + iii)	16,01,83,321.91	0.00	0.00	16,01,83,321.91
Change in Indebtedness during the financial year				
Addition, net	2,00,75,24,848.80	10,91,50,127.00	0.00	2,11,66,74,975.80
Reduction, net	1,97,95,48,117.51	1,27,50,000.00	0.00	1,99,22,98,117.51
Net Change	2,79,76,731.29	964,00,127.00	0.00	12,43,76,858.29
Indebtedness at the end of the financial year				
i) Principal Amount	18,81,60,053.20	9,50,50,000.00	0.00	28,32,10,053.20
ii) Interest due but not paid	0.00	13,50,127.00	0.00	13,50,127.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total(i +ii + iii)	18,81,60,053.20	9,64,00,127.00	0.00	28,45,60,180.20

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(In ₹)

Sr No.	Particulars of Remuneration	Mr. Anil Moolchandani (Chairman & Managing Director)	Mr. Jagdish Moolchandani (Executive Director)	Mr. Varun Moolchandani (Executive Director)	Mr. Dilip Seth (Director (Finance) & CFO)	Total Amount
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	744960.00	1878807.00	1822387.00	2545502.00	6991656.00
	(b) Value of perquisites	0.00	0.00	0.00	0.00	0.00
	(c) u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
	(d) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4.	Commission					
	- as % of profit					
	- Others, specify...	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (A)	744960.00	1878807.00	1822387.00	2545502.00	6991656.00

B. Remuneration to other directors:

(In ₹)

Sr No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Sunil Behl Dev Sharma	Mr. Arun Singhal	Mr. Kanav	Mrs. Payal Jain	
1.	Independent Directors					
	• Fee for attending board / committee meeting	77500.00	77500.00	15000.00	60000.00	230000.00
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	77500.00	77500.00	15000.00	60000.00	230000.00
2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total=(1+2)	77500.00	77500.00	15000.00	60000.00	230000.00

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

(In ₹)

Sr No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr. Gautam* Company Secretary	Mr. Hitesh Kumar* Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	182666.00	388905.00	571571.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00	0.00
	(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	Nil	Nil	Nil
	• Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	182666.00	388905.00	571571.00

*Mr. Gautam has resigned as Company Secretary of the Company w.e.f. 28th May, 2019.

**Mr. Hitesh Kumar appointed as Company Secretary of the Company w.e.f. 12th August, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure C to the Director's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of
the Companies (Ap-pointment 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. Due to the Covid-19 situation, we have examined all documents considered relevant by us through online / electronic mode only.

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 31st March, 2020 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 31st March, 2020 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;
- (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 however that the Company had defaulted in compliance with the requirements per-taining to the composition of the Board under Regulation 17(1) of SEBI (LODR) Regula-tions 2015 for a period of 55 days during the financial year under preview and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77dated May 03, 2018, fines of Rs.2,75,000/- + GST each were imposed on the Company by National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) respectively.

The referred fines were thereafter duly paid by the Company.

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 except as observed in the above paragraph.

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.

During the year under review:

1. Mr. Kanav Dev Sharma was appointed as an Independent Director w.e.f. 19.08.2019 at the Board Meeting held on 10.08.2019.
2. Mr. Varun Moolchandani resigned from the post of Chief Business Officer w.e.f. 24.06.2019 and was appointed as an Executive Director w.e.f. 25.06.2019 at the Board Meeting held on 28.05.2019.
3. Mr. Anil Moolchandani was reappointed as the Chairman and Non-Executive Director of the Company (liable to retire by rotation) for a period of 2 (Two) years w.e.f. 29.06.2019 at the Board Meeting held on 28.05.2019. After that, Board of Directors reappointed Mr. Anil Moolchandani as Chairman and Executive Director of the Company at the Board meeting held on 10.08.2019 w.e.f. that date.
4. Mr. Jagdish Moolchandani was reappointed as an Executive Director of the Company for a period of 2 (Two) years w.e.f. 10.08.2019 at the Board Meeting held on 28.05.2019. He ceased to be an Executive Director on 27th September 2019, as his appointment was not placed before the shareholders for approval at their Annual General Meeting held on 27th September, 2019. Mr. Jagdish Moolchandani was again appointed as an Executive Director of the Company (liable to retire by rotation) for a period of 2 (Two) years at the Board Meeting held on 28.09.2019 with effect from that date.
5. The Company reappointed Mr. Dilip Seth as a whole time Director (Director (Finance) & CFO) of the Company for a further period of (Two) years at the Board Meeting held on 28.05.2019 w.e.f. 05.08.2019.
6. The Company reappointed Mr. Sunil Behl and Mr. Arun Singhal as Independent Directors for the period of 5 (Five) years at the Board Meeting held on 28.05.2019 w.e.f. 23.09.2019.

Place: New Delhi

Date: 27.08.2020

For **DAYAL & MAUR**
Company Secretaries

SHAILESH DAYAL
Partner
FCS No. 4897
CP No. 7142
UDIN: F004897B000622360

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

'Annexure 1'

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

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: 27.08.2020

For **DAYAL & MAUR**
Company Secretaries

SHAILESH DAYAL
Partner
FCS No. 4897
CP No. 7142
UDIN: F004897B000622360

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 endeavor 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 provision 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 special resolutions.

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 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 there under 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

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 BOARDEVALUATIONPOLICY

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.

INDIVIDUAL DIRECTOR'S EVALUATION

1. Name of Director **2. Designation**

Rating Scale:

1. Outstanding
2. Exceeds Expectation
3. Meets Expectation
4. Needs Improvement
5. Poor

Criteria	1	2	3	4	5
Knowledge and Competency					
1. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates					
2. Whether the Person understands and fulfills the functions to him/her as assigned by the Board and the law					
3. Whether the person is able to function as an effective team-member.					
4. Whether the person actively takes initiative with respect to various area.					
5. Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.					
6. Whether the person is adequately committed to the Board and the entity.					
7. Whether the person contributed effectively to the entity and in the Board Meetings.					
8. Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.					

EVALUATION OF BOARD COMMITTEES
(By Board of Directors)

CRITERIA	1	2	3	4	5	How can the board do it better or differently
Function and Duties						
1. The Committees of the Board are appropriately constituted.						
2. The terms of reference for the committee are appropriate with Clear defined roles and responsibilities.						
3. Observing Committees terms of reference.						
4. The Composition of the Committee is in compliance with the Legal requirement.						
5. The amount of responsibility delegated by the Board to each of the Committee is appropriate.						
6. The reporting by each of the Committees to the Board is sufficient.						
7. The performance of each of the Committee is assessed annually against the set goals of the committee.						
8. Whether the terms of reference are adequate to serve committee's purpose?						
9. The Committee regularly reviews its mandate and performance.						
10. Committee takes effective and proactive measures to perform its functions.						
11. Whether the Committee has fulfilled its function as assigned by the Board and laws as may be applicable.						

Management Relations		
12. Adequate independence of the Committee is ensured from the Board.		
13. Committee gives effective suggestion and recommendation.		
14. Committee meetings are conducted in a manner that encourages Open communication and meaningful participation of its members.		
Committee Meetings and Procedures		
15. Committee meetings have been organized properly and appropriate procedures were followed in this regard?		
16. The frequency of the Committee meetings is adequate.		
17. Committee makes periodically reporting to the Board along with its suggestions and recommendations		

Outstanding Exceeds Expectation Meets Expectation Need Improvement Poor

Overall rating of Board performance

Comment

.....

.....

.....

Please suggest three things that could improve Board's performance.

- | | | |
|----------|------------------|-------|
| | Name of Director | |
| a) | Signature | |
| b) | Date: | |
| c) | | |

INDIVIDUAL DIRECTOR'S EVALUATION

1. Name of Director **2. Designation**

Rating Scale:

1. Outstanding
2. Exceeds Expectation
3. Meets Expectation
4. Needs Improvement
5. Poor

Criteria	1	2	3	4	5
Knowledge and Competency					
1. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates					
2. Whether the Person understands and fulfills the functions to him/her as assigned by the Board and the law					
3. Whether the person is able to function as an effective team-member.					
4. Whether the person actively takes initiative with respect to various area.					
5. Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.					
6. Whether the person is adequately committed to the Board and the entity.					
7. Whether the person contributed effectively to the entity and in the Board Meetings.					
8. Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.					
9. Whether the person is Independent from the entity and the other directors and the other directors and there if no conflict of interest.					
10. Whether the person exercises his/her own judgement and voices opinion freely.					

EVALUATION OF CHAIRPERSON

1. Name of Director

2. Designation

Rating Scale:

1. Outstanding
2. Exceeds Expectation
3. Meets Expectation
4. Needs Improvement
5. Poor

Criteria	1	2	3	4	5
Knowledge and Competency					
1. Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operate					
2. Whether the Person understands and fulfills the functions to him/her as assigned by the Board and the law					
3. Whether the person is able to function as an effective team-member.					
4. Whether the person actively takes initiative with respect to various area.					
5. Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.					
6. Whether the person is adequately committed to the Board and the entity.					
7. Whether the person contributed effectively to the entity and in the Board Meetings.					
8. Whether the person demonstrates highest level of integrity (includin conflict of interest disclosures, maintenance of confidentiality, etc.					
9. Whether the Chairperson displays efficient leadership, is open minded decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively.					
10. Whether the Chairperson is impartial in conducting discussions, seeking views and dealing with dissent, etc.					
11. Whether the Chairperson is sufficiently committed to the Boar and its meetings.					
12. Whether the Chairperson is able to keep shareholder's interest in mind during discussions and decisions.					

BOARD OF DIRECTORS EVALUATION (By all the directors or externally facilitated)

1. Name of Director

2. Designation

Rating Scale:

1. Outstanding
2. Exceeds Expectation
3. Meets Expectation
4. Needs Improvement
5. Poor

Criteria	1	2	3	4	5	How can the board do it better or differently
Board Composition & Quality						
1. The Board has appropriate qualifications, expertise and experience to meet the best.						
2. The board has appropriate combination of industry knowledge an diversity (gender, experience, background, competence).						
3. The process of appointment to the board of directors is clear and transparent						
4. The Role and responsibilities of the Board and its members are clearly documented.						

5. All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests.

6. Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests).

7. The Board members spend sufficient time in understanding the vision mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same.

8. The Board understands the legal requirements and obligation under which they act as a Board; i.e. by laws, corporate governance manual etc. and discharge their functions accordingly.

9. The Board has set its goals and measures its Performance against them on annual basis.

10. The Board has defined its stakeholders and has Appropriate level of communication with them.

11. The Board understands the line between oversight and management.

12. The board monitors compliances with corporate Governance regulation and guidelines.

13. An effective succession plan of board in place.

14. The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements

15. The Board regularly reviews the grievance redressal mechanism of investors.

BOARD MEETINGS & PROCEDURES

1. The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time.

2. The Board meeting agenda and related background papers are con and provide information of appropriate quality and detail.

3. The information is received by board members sufficiently in advance for proper consideration.

4. Adequacy of attendance and participation by the board members at the board meetings.

5. Frequency of Board Meetings is adequate.

6. The facility for video conferencing for conducting meetings is robust.

7. Adequate and timely inputs are taken from the members of the board prior to setting of the Agenda for the meetings.

8. Location of Board Meeting (As a good governance practice the Board meeting should be held at different places).

9. The Board meetings encourage a high quality of discussions and decision making.

10. Openness to ideas and ability to challenge the practices and throwing up new ideas.

11. The amount of time spent on discussions on strategic and general issues is sufficient.

12. How effectively does the Board works collectively as a team in the best interest of the company?

13. The minutes of Board meetings are clear, accurate, consistent, complete and timely and records dissenting views.

14. The actions arising from board meetings are properly followed up and reviewed in subsequent board meetings.

15. The processes are in place for ensuring that the board is kept fully informed on all material matters between meetings (including appropriate external informationeg. emerging risks and material regulatory changes).

16. Adequacy of the separate meetings of independent directors.

17. Appropriateness of secretarial support made available to the Board.

18. The Board members understand the terms and conditions of D & O insurance.

19. All proceedings and resolutions of the Board are recorded accurately, a dequately and on a timely basis

BOARD DEVELOPMEN

1. Appropriateness of the Induction Programme given to the Board members.

2. Timeliness and appropriateness of ongoing development programmes to enhance skills of its members.

3. Appropriate development opportunities are encouraged communicated well in time

BOARD STRATEGY AND RISK MANAGEMENT

1. The time spent on issues relating to the strategic direction and not day-to-da management responsibilitie

2. Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve

3. Appropriateness of effective vigil mechanism.

4. The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company.

5. The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management is taken sufficient steps to mitigate the risk.

6. The Risk management framework is subject to review.

7. The Board evaluates the strategic plan/ policies periodically to assess the Company's performance, considers new opportunities and responds to unanticipated external developments.

8. Monitoring the implementation of the long term strategic goals

9. Monitoring the company's internal controls and compliance with applicable laws and regulationsMonitoring the company's internal controls and compliance with applicable

10. The adequacy of Board contingency plans for addressing and dealing with crisis situations.

11. The Board focuses its attention on long-term policy issues rather than short-term administrative matters.

12. The Board discusses thoroughly the annual budget of the Company and its implications before approving it.

13. The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required

BOARD AND MANAGEMENT RELATIONS

1. The Board sets the overall tone and direction of the Company.

2. The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company.

3. The Board has a range of appropriate performance indicators that are used to monitor the performance of management.

4. The Board is well informed on all issues (short and long-term) being faced by the Company.

5. The Board adequately reviews proposed departures from the long-and short- term business plans of the Company before they take place.

6. The Board sets a corporate culture and the values by which executives shall behave.

7. The Board and the management are able to actively access each other and exchange information.

8. The level of independence of the management from the Board is adequate.

SUCCESSION PLANNING

1. The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director

2. The Board review the existing succession plan and if appropriate, make necessary changes by taking into account the current condition

STAKEHOLDER VALUE & RESPONSIBLIT

1. The Board treats shareholders and stakeholders fairly where decisions of the board o directors may affect different shareholder/ stakeholder groups differently.

2. The Board regularly reviews the Business Responsibility Reporting / related corporate social responsibility initiatives of the entity and contribution to society, environment etc.

**OUTSTANDING EXCEED MEET NEED POOR
EXPECTATION EXPECTATION IMPROVEMENT**

Overall rating of Board Performance

Comment

Please suggest three things that could improve Board's Performance

Name of Director:

a)

b)

Signature:

c)

Date

If Externally facilitated,

Comments of Evaluator:

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	Base Salary including Fixed Allowances	<ul style="list-style-type: none"> ➤ A competitive fixed salary payable on a monthly basis ➤ Reflects individual's experience, positioning and role within the Company ➤ Reviewed on an annual basis and changes implemented are effective from 1st April each year. ➤ Increases in Base Compensation are aligned with annual performance reviews and are competitive and comparable with industry benchmarks. ➤ Business and individual performance are taken into considered when setting/increasing the Base Salary
2	Variable Compensation	<ul style="list-style-type: none"> ➤ Variable component is payable on annual basis aligned to company's overall performance, Department performance and individual performance.
3	Retiral Benefits (PF/Gratuity/SAF)	<ul style="list-style-type: none"> ➤ Provide for sustained contribution and social security post employment ➤ In accordance with relevant statutory provisions ➤ Accruals depending upon length of service ➤ Provident Fund - Contribution of 12% of the Basic amount each from Employee and Employer on optional basis ➤ Gratuity - 15 days Basic Salary for every completed year of service (on last drawn Basic salary) with a minimum qualifying service period of 5 years ➤ Not linked to any performance criteria but part of the total remuneration package
4	Other Benefits / Reimbursements	<ul style="list-style-type: none"> ➤ Market competitive employees benefits ➤ In line with the market practices & reviewed periodically ➤ Based on level/designation as per policies of the company ➤ Not linked to any performance criteria
5	Notice period salary	<ul style="list-style-type: none"> ➤ As per policy/terms of employment

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 formalized through a letter of appointment in compliance to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 inter-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. Varun Moolchandani			13.14:1
		Mr. Dilip Seth			14.75:1
		Mr. Jagdish Moolchandani			10.11:1
		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. Varun Moolchandani -Executive Director			56.00%
		Mr. Dilip Seth- Director (Finance) & CFO			10.40%
		Mr. Jagdish Moolchandani- Executive Director			0.00%
		Mr. Hitesh Kumar- Company Secretary			0.00%
3	The percentage increase in the median remuneration of employees in the financial year;	During Financial year 2019-20, there was an increase of 6% in the median remuneration of employees.			
4	The number of permanent employees on the rolls of company;	There was 1000 permanent employees on the rolls of the Company as on March 31, 2020.			
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	% Decrease in Net Sales in 2019-20 as compared to 2018-19		14.70%
		B	% Decrease in PAT in 2019-20 as compared to 2018-19		1088.27%
		C	% Increase in EBITDA in 2019-20 as compared to 2018-19		141.90%
		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	Closing Share Price (NSE)	Market Capitalization	Price Earning Ratio
		31.03.2020	Rs. 8.80	Rs. 29.72 Crores	4.15 Times
		31.03.2019	Rs. 25.90	Rs. 87.49 Crores	123.33 Times
	Closing Share price as on 31st March 2020 was Rs. 8.80. Archie's offer price during its public issue in 1996 was Rs. 70. However these are not comparable as Archie's has done stock splits and issued Bonus shares during the intervening period.				
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 thereof 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. 2019-20 was Nil and the increase in managerial remuneration was Nil.			

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 th year 2019-20 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 CS 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 31.03.2020. The web link is http://www.archiesonline.com/htdocs/csr.pdf
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*	Rs. 40,64,245.55
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	NA
5	Detail of CSR spent during the financial year 2019-20 a) Total amount to be spent for the financial year 2018-19 b) Amount spent	Nil Nil

*as per the amended provision of section 135 of Companies Act 2013, there is no contribution towards CSR For FY 2019-2020.

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

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

(Mr. Sunil Behl)
Chairman CSR Committee

July 17, 2020
New Delhi

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 31.03.2020 the Company is having 197 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 aspect 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 down turn 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.

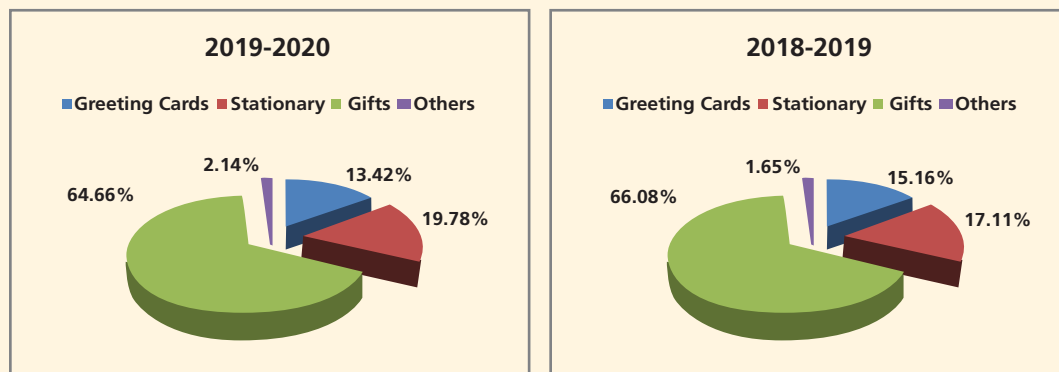
Product Wise Performance

The Turnover of the gift segment was Rs. 8756.30 lakhs during the year under review as compared to Rs. 10489.83 lakhs last year, decreased by 16.53%. The Gifts segment contributed about 64.66% of the total turnover during the current year as compared to 66.08% in the previous year.

The Greeting Cards sale was Rs. 1816.98 lakhs during the year under review as compared to Rs. 2406.49 lakhs last year, down by 24.50%. The contribution of greeting cards sales to the total turnover now stands at 13.42% as compared to 15.16% in the previous year.

The stationery items sale was Rs. 2678.36 Lakhs during the year under review as compared to Rs. 2716.84 Lakhs during the Last Year, decreased by 1.42%. The contribution of Stationery items sales to the total turnover stands about 19.78% as compared to 17.11% 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 decreased by 1.42%. 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 22 Archies stores during the year and the total no of Archies Stores opened by your Company in PAN India as on 31.03.2020 is 197.

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' score 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. 13931.79 Lakhs for the financial year 2019-20 as compared to Rs. 16136.44 Lakhs in the previous year decreased by 13.66%. The sale of gifts Segment was decreased by 16.53%, Greeting Cards segment sale was decreased by 24.50% and Stationery segment were decreased by 1.42% Inventory as on 31st March 2020 stands at Rs. 5,820.76 Lakhs, as against Rs. 5,085.85 Lakhs during previous year. Debtors as on 31st March 2020 stand at Rs. 1599.32 Lakhs as against Rs. 1910.22 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, 2020, the total employee strength of the Company stands at 1000.

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 there for
1	Debtors Turnover Ratio	3.40	3.30	3.11	
2	Inventory Turnover Ratio	1.05	1.37	(23.63)	
3	Interest Coverage Ratio	(0.07)	1.27	(105.22)	Ratio has shown negative change of more than 25 % as compared to last year. Last year there was profit, which during the current year has decreased and resulted in loss. This change has impacted this ratio significantly.
4	Current Ratio	1.25	1.75	(28.41)	
5	Debt Equity Ratio	1.07	0.43	151.28	
6	Operating Profit Margin	(0.46)	2.12	(121.48)	
7	Net Profit Margin	(5.15)	0.45	(1244.66)	

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	(7.11)	0.69	(1124.75)	Ratio has shown negative change of more than 25 % as compared to last year. Last year there was profit, which during the current year has decreased and resulted in loss. 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) from [ICRA] BBB (Pronounced as ICRA triple B) to [ICRA] BBB- (Pronounced as ICRA triple B minus) on 21st November, 2019. The outlook on the long term rating was Stable.

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 minus) on 30th April, 2020. The outlook on the long term rating has been revise to Negative from 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, 2020 is as follows:

Name of the Director	Category	*Number of Shares held in the Co.	**No. of Other Directorships Held as on 31-03-2020	#Committee memberships/ chairmanship held in other Companies as on 31-03-2020
Mr. Anil Moolchandani (Chairman and Executive-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. Varun Moolchandani	Promoter & 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
Mr. Kanav Dev Sharma	Non-Executive Independent Director	-	Nil	Nil

*The Shareholding of Directors excludes Executive Directors.

**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.

In accordance with the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Memberships/Chairmanships of only the Audit Committees and Stakeholders Relationship Committee has 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, 2020 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 five times during the year under review. Meetings were held on 28th May 2019, 10th August 2019, 28th September, 2019, 13th November 2019 and 07th February, 2020.

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

Name of the Director	No. of Board Meetings Attended	Whether Attended the AGM held on 27/09/2019
Mr. Anil Moolchandani	5	Yes
Mr. Dilip Seth	5	Yes
Mr. Arun Singhal	5	Yes
Mr. Sunil Behl	5	Yes
Mr. Jagdish Moolchandani	3	Yes
Mr. Varun Moolchandani*	3	Yes
Mrs. Payal Jain	4	Yes
Mr. Kanav Dev Sharma**	2	Yes

*Mr. Varun Moolchandani has been appointed as Executive Director with effect from 25.06.2019.

**Mr. Kanav Dev Sharma has been appointed as Non-Executive Independent Director with effect from 19.08.2019.

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 07th February, 2020 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, generates 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								
Director	Area of expertise							
	Financial	Diversity	Global Business	Leadership	Technology	Mergers and Acquisitions	Board Service and Governance	Sale and Marketing
Mr. Anil Moolchandani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Dilip Seth	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Behl	✓	✓	✓	✓	-	✓	✓	-
Mr. Arun Singhal	✓	✓	✓	✓	-	✓	✓	-
Mr. Jagdish Moolchandani	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Payal Jain	✓	✓	✓	✓	-	✓	✓	-
Mr. Varun Moolchandani	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Kanav Dev Sharma	✓	✓	✓	✓	-	✓	✓	-

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
Meeting Held	4	1	5	3
Directors' Attendance				
Mr. Anil Moolchandani	N.A.	1	5	N.A.
Mr. Dilip Seth	N.A.	1	5	N.A.
Mr. Sunil Behl	4	1	N.A.	3
Mr. Arun Singhal	4	N.A.	5	3
Mr. Varun Moolchandani	N.A.	N.A.	N.A.	N.A.
Mr. Jagdish Moolchandani	N.A.	N.A.	N.A.	N.A.
Mrs. Payal Jain	4	N.A.	N.A.	2
Mr. Kanav Dev Sharma	N.A.	N.A.	N.A.	N.A.

N.A. - Not a member of the Committee

*Mr. Varun Moolchandani has been appointed as Executive Director with effect from 25.06.2019.

**Mr. Kanav Dev Sharma has been appointed as Non-Executive Independent Director with effect from 19.08.2019.

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 weblink <http://www.archiesonline.com/htdocs/Details-of-Familiarization-Programme.pdf>

A. AUDIT COMMITTEE

I. COMPOSITION OF 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.

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

The Company Secretary acted as Secretary to the Committee.

II. TERMS OF REFERENCE

- i.) 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.
- ii.) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- iii.) Reviewing with the management, the annual and periodical financial statements before submission to the Board, focusing primarily on:
 - a.) 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
 - b.) Any changes in accounting policies and practices and reasons for the same.
 - c.) Major accounting entries involving estimates based on exercise of judgment by management.
 - d.) Significant adjustments made in the financial statements arising out of audit findings.
 - e.) Compliance with listing and other legal requirements relating to financial statements.
 - f.) Compliance with the Accounting Standards.
 - g.) Disclosure of any related party transaction.
 - h.) Qualifications in the draft audit report.
 - i.) 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 auditor's 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 thereon.
- 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 into 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 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 THEYEAR

During the financial 2019-20, four audit committee meetings were held on 28th May 2019, 10th August 2019, 13th November 2019 and 07th February, 2020.

B. NOMINATION AND REMUNERATION COMMITTEE

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

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 criteria laid 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 THEYEAR

In the Financial year 2019-20, three meetings of the Nomination & Remuneration Committee were held on 28th May, 2019, 10th August, 2019 & 28th September, 2019.

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

Director's Remuneration

Remuneration Policy

The Company's Nomination & 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 2019-2020 :

Executive Directors

(Rs. in Lakh)

Particulars	Mr. Anil Moolchandani (Chairman and Managing Director)	Mr. Jagdish Moolchandani (Executive Director)	Mr. Varun Moolchandani (Executive Director)	Mr. Dilip Seth (Director Finance & CFO)
Salary & Allowances	7.40	18.57	18.22	25.24
Contribution to Provident Fund	0.05	0.22	0.00	0.22
Total	7.45	18.79	18.22	25.46
Service Contract	Two Years w.e.f. 10/08/2019	Two Years w.e.f. 28/09/2019	Two Years w.e.f. 25/06/2019	Two Years w.e.f. 05/08/2019
Notice Period	Three months by either party	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 2019-20 are given below:

Directors Sitting Fees	(Rs. in Lakh)
Mr. Sunil Behl	0.775
Mr. Arun Singhal	0.775
Mr. Kanav Dev Sharma	0.150
Mrs. Payal Jain	0.600
Total	2.300

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.

I. 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:

- i. To look into complaints received from shareholders like transfer of shares, non-receipt of annual report, non-receipt of dividend or any other complaints.
- ii. To look, consider & resolve the redressal of grievances of shareholders.
- iii. Five meetings of the Committee were held as on 04th April, 2019, 15th April, 2019, 04th May, 2019, 27th May, 2019, & 07th February, 2020.
- iv. 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, 2020 is as under:

No. of Complaints opening	Nil
No. of Complaints received	Nil
No. of Complaints resolved	Nil
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. Sunil Behl (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:

- i) 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;
- ii) Recommended the amount of expenditure to be incurred on the activities referred to in clause (i);
- iii) Monitor the Corporate Social Responsibility policy of the Company from time to time;
- iv) One meeting of the CSR Committee was held as on 28th May, 2019.

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 Transactions or relationship between the Company and its Directors, Management, or Relatives.

4. GENERAL BODY MEETINGS

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

Date	Venue	Time Resolutions passed	No. of Special
27 th September, 2019	Manesar Club, Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	<ol style="list-style-type: none">1. Re-appointment of Mr. Sunil Behl as an Independent Director of the Company for the further period of 5 years with effect from 23.09.20192. Re-appointment of Mr. Arun Singhal as an Independent Director of the Company for the further period of 5 years with effect from 23.09.20193. Re-appointment of Mr. Anil Moolchandani as Chairman and Executive Director of the Company for the further period of 2 (two) years with effect from 10.08.20194. Appointment of Mr. Varun Moolchandani as Executive Director of the Company for the period of 2 (two) years with effect from 25.06.20195. 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 05.08.20196. Regularisation of Mr. Kanav Dev Sharma as a Director (Non- Executive & Independent) of the Company
28 th September, 2018	Manesar Club, Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	<ol style="list-style-type: none">1. Appointment of Mrs. Payal Jain as an Independent Director of the Company
28 th September, 2017	Auditorium, HSIIDC Limited, HSIIDC Office Complex, IMT Manesar, Gurugram, Haryana – 122052	11.00 A.M.	<ol style="list-style-type: none">1. Reappointment of Mr. Dilip Seth as Director (Finance) & CFO of the Company2. Reappointment of Mr. Anil Moolchandani as Chairman and Managing Director of the Company

Special Resolution Passed Through Postal Ballot

No special resolution was passed through postal ballot during the financial year ended 2019-20.

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 ongoing basis and they are systematically categorized. Each risk when identified is mapped to the concerned department for further action.

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 behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. 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 ARCHIESLIMITED. pdf](http://www.archiesonline.com/htdocs/whistle-blower-Policy-ARCHIESLIMITED.pdf).

The weblink for the Policy of Related party transactions is **[.www.archiesonline.com/htdocs/transactionPolicy.pdf](http://www.archiesonline.com/htdocs/transactionPolicy.pdf)**.

The Management Discussion and Analysis Report form part of Director's 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** 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](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 weblink **[https://www.archiesonline.com/ about-archies/code-of-conduct](https://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/transactionPolicy.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**.

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:

- a) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and
- b) 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/aboutarchies/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, 2020 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 except the following :

The Company had defaulted in compliance with the requirements pertaining to the composition of the Board under Regulation 17(1) of SEBI (LODR) Regulations 2015 for a period of 55 days during the financial year under preview and in terms of SEBI circular no. SEBI/HO/CFD/CMD/-CIR/P/2018/77 dated May 03, 2018, fines of Rs.2,75,000/- + GST each were imposed on the Company by National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) respectively.

The referred fines were thereafter duly paid by the Company.

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 to this report.

COMPLIANCE WITH THE GOVERNANCE FRAMEWORK

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.

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 Executive 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
7.	Mr. Varun Moolchandani	Director (Executive)	Son of Mr. Anil Moolchandani and Nephew of Mr. Jagdish Moolchandani
8.	Kanav Dev Sharma	Non-Executive & Independent Director	-

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 2019-20 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 2019-20 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:-

- 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
- 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.
- 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.

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.

Besides, financial results the Company also keeps its shareholders 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 thereafter.

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.

13. GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting

Date	25th September, 2020
Time	02.30 P.M.
Venue	Through Video Conferencing or other audio visual mean (Plot No. 191F, Sector-4, IMT Manesar Gurugram, Haryana-122050 : Deemed Venue)

B. Financial Calendar

Financial Year April 1 to March 31

During the year ended March 31, 2020, results were published on the following dates:

Annual Audited Financial	28th May 2019 Results (Mint all Edition and Jansatta (Hindi), Delhi Edition)
First Quarter Results	10th August 2019 (Mint all Edition and Jansatta (Hindi), Delhi Edition)
Second Quarter Results	13th November, 2019 (Mint all Edition and Jansatta (Hindi), Delhi Edition)
Third Quarter Results	07th February, 2020 (Mint all Edition and Jansatta (Hindi), Delhi Edition)

The results are displayed on the website of the Company at www.archiesonline.com

C. Book Closure Dates

19th September, 2020 to 25th September 2020 (Both Days Inclusive)

D. Dividend Payment Dates

No dividend is proposed by management for the financial year 2019-20.

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 BSE 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. Stock Code

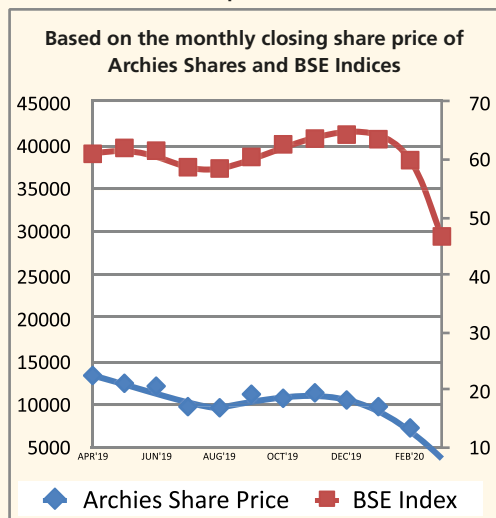
The BSE Limited	532212
National Stock Exchange of India Limited	ARCHIES
ISIN NO.	INE731A01020

G. Market Price Data

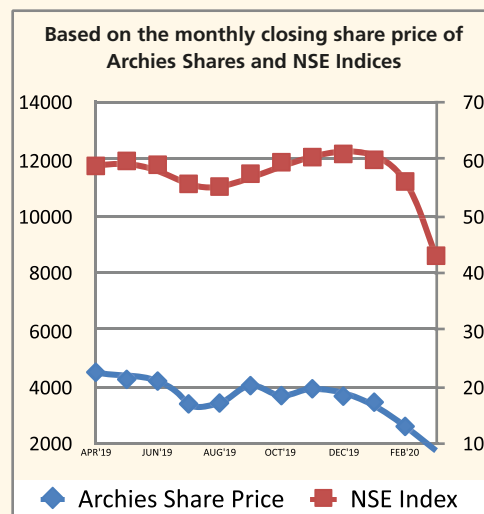
Monthly high & low price of shares of your Company and No. of Shares traded at BSE Limited and National Stock Exchange of India Limited are as under:

Month	BSE			NSE		
	High Price	Low Price	No. of Shares Traded	High Price	Low Price	No. of Shares Traded
April, 2019	26.00	21.15	47595	26.25	22.10	800707
May, 2019	24.20	20.35	58279	23.95	21.00	728473
June, 2019	23.80	19.05	36217	24.00	19.40	574398
July, 2019	23.85	15.95	86410	21.55	15.90	597350
August, 2019	19.40	15.45	50509	18.95	15.50	348893
September, 2019	25.00	16.65	246009	25.00	16.65	2499959
October, 2019	20.25	18.00	88005	20.45	17.80	414511
November, 2019	20.60	18.50	81973	20.00	18.20	411683
December, 2019	24.80	18.10	155166	24.40	18.15	1019039
January, 2020	19.70	17.00	69488	19.80	17.00	837088
February, 2020	19.05	12.75	152428	18.80	12.65	1284506
March, 2020	13.80	8.12	60347	14.20	8.05	741785

H. Performance in comparison to broad based indices



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



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

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

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.

K. Distribution of Shareholdings:

	AS ON MARCH 31							
	2020				2019			
Category	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1 – 500	12,353	77.8289	1886815	5.5856	13,016	78.4333	20,08,963	5.9472
501 -1000	1779	11.2084	1545799	4.5761	1,842	11.0997	16,07,866	4.7598
1001 – 2000	815	5.1348	1298148	3.8429	812	4.893	13,02,182	3.8549
2001 – 3000	334	2.1043	874455	2.5887	312	1.8801	8,16,535	2.4172
3001 – 4000	152	0.9577	557512	1.6504	161	0.9702	5,90,882	1.7492
4001 – 5000	134	0.8443	639712	1.8938	134	0.8075	6,46,241	1.9131
5001-10000	169	1.0648	1270910	3.7623	178	1.0726	13,37,487	3.9594
10000 & above	1636	0.8569	25706649	76.1002	140	0.8436	2,54,69,844	75.3992
Total	15872	100	3378000	100	16595	100	33,78,000	100

L. Categories of Shareholders:

	AS ON MARCH 31					
	2020			2019		
Category	No. of Shareholder	No. of Shareheld	% of total Shares	No. of Shareholder	No. of Shareheld	% of total Shares
Individual	14724	97,59,653	28.90	15,260	98,94,494	29.29
Body Corporate/ Clearing Member/ Trusts/H.U.F./IEPF/ NBFC	498	26,91,374	7.96	600	25,70,027	7.6
NRIs/OBCs/FIIs/FFIs	175	3,04,526	0.91	206	3,77,320	1.12
Mutual Funds/Banks/ Insurance Company/ FIs	3	76,500	0.22	8	2,09,352	0.62
Promoter	9	2,09,41,447	61.99	8	2,07,22,307	61.34
Director	3	6,500	0.02	3	6,500	0.02
Total	15412	3,37,80,000	100.00	16,085	3,37,80,000	100.00

M. Dematerialization of shares and liquidity

As on 31st March 2020, 85.20 % of total shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) and 14.24% with Central Depository Services (India) Limited (CDSL). Only 0.56% of the total shareholding is held in physical form as on 31st March 2020.

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

O. 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: Delhi
Dated: 28th August, 2020

Anil Moolchandani
Chairman & Managing 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 25 August 2020.
2. We have examined the compliance of conditions of Corporate Governance by Archies Limited("the Company"), for the year ended on 31 March, 2020, 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, 2020.

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.

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

H.S. Khurana
PARTNER
(Membership No. 017779)
UDIN No. 20017779AAAACS3634

Place: New Delhi
Date: 28/08/2020

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, 2020 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, 2020.

Place: New Delhi
Date: August 28, 2020

Anil Moolchandani
Chairman and Managing Director

Jagdish Moolchandani
Director (Executive)

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, 2020 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: July 17, 2020

Dilip Seth
Director (Finance) & CFO

Anil Moolchandani
Chairman and Executive 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) 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, 2020 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
08491624	VARUN MOOLCHANDANI	25/06/2019
08538999	KANAV DEV SHARMA	19/08/2019

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: 24th August, 2020

Name: Naveen Shree Pandey
Membership No.: FCS-9028
CP No.: 10937
UDIN: F009028B000610013

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, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), 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, 2020, the loss including other comprehensive loss, 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 judgement, were of most significance in our audit of the Financial Statements for the financial year ended 31 March, 2020. 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>Leases</p> <p>Accuracy of recognition, measurement, presentation and disclosures of Right of Use Assets and Lease Liabilities in view of adoption of IND AS 116 "LEASES" (new Lease accounting standard). The application of the new lease accounting standard involves key assumptions relating to determination of lease period, more specifically described in Note 2.19 of the Financial Statements. It also requires determination of whether a contract contains a lease at inception of every lease by assessing whether (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.</p>	<p>We assessed the Company's process to identify the impact of adoption of the new lease accounting standard. Our audit approach consisted testing of design and operating effectiveness of internal controls and substantive testing as follows:</p> <p>Testing of Controls</p> <ol style="list-style-type: none"> (1) Evaluated the design of internal controls for the implementation of the new lease accounting standard relating to existing lease contracts. (2) Evaluated the design of internal controls relating to capturing of new contract data including terms of new lease contracts. (3) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control relating to identification of whether a contract is / or contains a lease and determination of its lease period. <p>Substantive Testing</p> <p>Selected a sample of continuing and new contracts and performed the following procedure:</p> <ol style="list-style-type: none"> (1) Read and analysed the contracts to check whether these are lease contracts and covered under Ind AS 116. (2) Considered the terms of the contract to determine the lease period and total lease commitments. (3) Compared this information with that identified and recorded by the company. (4) Check the interest rate used to determine the lease liability with that of the company's incremental borrowings. (5) Checked the arithmetical accuracy of working of the lease liability and Right of Use Assets recognised (6) Checked the disclosures of leases in the financial statements and compared them with the disclosure requirements of Ind AS 116.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of the auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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 including other comprehensive income, 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 including Other Comprehensive Income, Statement of Changes in Equity and the cash flow statement dealt with by this report are in agreement with the books of account 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 Companies (Indian accounting standard) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of directors, none of the directors is disqualified as on 31 March, 2020 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, as amended 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 required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Date: 17 July 2020

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

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, 2020 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:-

Nature of the Statutory Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
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 29 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.

Place: New Delhi
Date: 17 July 2020

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

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, 2020 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 control 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, 2020, 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)
UDIN: 20017779AAAACC9505

Place: New Delhi
Date: 17 July, 2020

Balance Sheet as at 31 March 2020
(₹ in Lakhs)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1) Non-Current Assets			
Property, Plant and Equipment	3.1	7,505.03	7,521.78
Right of Use Assets	3.2	5,777.60	-
Capital Work-in-Progress	4	17.32	32.67
Financial Assets	5		
Loans		753.04	842.13
Deferred Tax Assets (Net)	14	110.77	-
Other Non Current Assets	6	195.28	246.00
Income Tax Assets (Net)		110.76	87.75
Total Non-Current Assets		14,469.80	8,730.33
2) Current Assets			
Inventories	7	5,820.76	5,085.85
Financial Assets	8		
(a) Trade Receivables		1,599.32	1,910.22
(b) Cash and Cash Equivalents		68.44	164.14
(c) Bank Balances other than (b) above		43.19	55.09
(d) Loans		53.63	50.18
(e) Other Financial Assets		532.49	524.42
Other Current Assets	9	253.95	327.69
Total Current Assets		8,371.78	8,117.59
TOTAL ASSETS		22,841.58	16,847.92
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	10	675.62	675.62
Other Equity	11	10,333.96	11,125.24
Total Equity		11,009.58	11,800.86
LIABILITIES			
1) Non-Current Liabilities			
Financial Liabilities	12		
(a) Lease Liabilities		4,975.42	-
(b) Other Financial Liabilities		-	89.60
Provisions	13	149.82	54.93
Deferred Tax Liabilities (Net)	14	-	230.07
Other Non-Current Liabilities	15	27.63	35.93
Total Non-Current Liabilities		5,152.87	410.53
2) Current Liabilities			
Financial Liabilities	16		
(a) Borrowings		2,832.10	1,601.61
(b) Lease Liabilities		1,229.03	-
(c) Trade Payables			
Micro and Small Enterprises		40.31	48.88
Other than Micro and Small Enterprises		1,108.99	1,235.12
(d) Other Financial Liabilities		1,225.85	1,451.05
Other Current Liabilities	17	159.00	222.31
Provisions	18	83.85	77.56
Total Current Liabilities		6,679.13	4,636.53
TOTAL EQUITY AND LIABILITIES		22,841.58	16,847.92

The accompanying notes form an integral part of 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 Executive Director

H. S. Khurana

PARTNER

(Membership No. 017779)

Place: New Delhi

Date: 17 July 2020

Dilip Seth

Director (Finance) and CFO

Hitesh Kumar

Company Secretary

Statement of Profit and Loss for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Notes	31 March 2020	31 March 2019
I. INCOME			
Sale of Products		13,541.59	15,874.85
Other Operating Revenue		390.20	261.59
Revenue from Operations	19	13,931.79	16,136.44
Other Income	20	177.19	183.84
Total Income		14,108.98	16,320.28
II. EXPENSES			
Cost of Materials Consumed	21	1,041.10	1,100.31
Purchases of Traded Goods	22	4,789.46	5,098.92
Changes in Inventories of Manufactured Goods, Work-in-Progress and Traded Goods	23	(707.43)	(334.37)
Employee Benefits Expense	24	3,029.22	3,187.89
Other Expenses	25	4,146.46	6,519.22
Total Expenses		12,298.81	15,571.97
III. Earning before Finance Costs, Depreciation and Amortisation, Loss on Sale of Property Plant and Equipment and Tax			
Finance Costs	26	1,810.17	748.31
Depreciation and Amortisation Expense	3.3	958.41	269.79
Loss on Sale/Disposal of Property, Plant and Equipment		1,842.01	357.56
		31.66	48.29
Profit/ (Loss) before Tax		(1,021.91)	72.67
IV. Tax expense			
Current Tax		-	14.96
Deferred Tax	14	(312.43)	0.06
MAT Credit Entitlement		-	(14.96)
Tax paid for earlier year		8.10	-
V. Profit/(Loss) for the year		(717.58)	72.61
VI. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement of Defined Benefit Plan		(102.10)	(36.75)
Income tax related to the above	14	28.40	10.22
Total Other Comprehensive Income/ (Loss) for the year (net of tax)		(73.70)	(26.53)
VII. Total Comprehensive Income/ (Loss) for the year		(791.28)	46.08
Earnings per Equity Share			
Basic	36	(2.12)	0.21
Diluted		(2.12)	0.21

The accompanying notes form an integral part of 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 Executive Director

H. S. Khurana
PARTNER
(Membership No. 017779)
Place: New Delhi
Date: 17 July 2020

Dilip Seth
Director (Finance) and CFO

Hitesh Kumar
Company Secretary

Cash flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019	
A. Cash Flow from Operating Activities :			
Profit/ (Loss) before Tax as per Statement of Profit and Loss	(1,021.91)	72.67	
Adjusted for :			
Depreciation and Amortisation Expense	1,842.01	357.56	
Finance Costs	958.41	269.79	
Loss /(Profit) on Sale / Disposal of Property, Plant and Equipment (net)	31.66	48.29	
Interest Income	(71.40)	(77.82)	
Operating Profit before Working Capital changes	1,738.77	670.49	
Adjusted for :			
Trade Receivables	310.90	288.95	
Inventories	(734.91)	91.72	
Other Receivables	177.92	-490.82	
Trade Payable	(134.70)	150.68	
Other Payables	(311.24)	22.33	
Cash generated from operations	1,046.74	733.35	
Taxes Paid (Net)	(23.06)	(12.58)	
Net Cash Flow from Operating Activities (A)	1,023.68	720.77	
B. Cash Flow from Investing Activities			
Expenditure on Property, Plant and Equipment	(566.35)	(578.56)	
Proceeds from Sale / Disposal of Property, Plant and Equipment	150.02	125.13	
Investments in Fixed Deposit	(26.45)	(123.34)	
Proceeds from Maturity of Fixed Deposit	37.05	113.76	
Interest Income Received	70.08	76.04	
Net Cash Flow Used in Investing Activities (B)	(335.63)	(386.97)	
C. Cash Flow from Financing Activities			
Borrowings - Current (net)	1,230.49	21.95	
Payment of Lease Liabilities	(1,069.33)	-	
Interest and Other Financial Charges Paid	(944.91)	(270.02)	
Net Cash Flow Used in Financing Activities (C)	(783.75)	(248.07)	
Net Increase / (Decrease) in Cash And Cash Equivalents (A) + (B) + (C)	(95.70)	85.73	
Opening Balance of Cash and Cash Equivalents	164.14	78.41	
Closing Balance of Cash and Cash Equivalents (refer note 8(b))	68.44	164.14	
Change in Liabilities arising from Financing Activities			
	1 April 2019	Cash Flow	31 March 2020
Borrowing - Current (Refer Note 16(a))	1,601.61	1,230.49	2,832.10
	1,601.61	1,230.49	2,832.10
	1 April 2018	Cash Flow	31 March 2019
Borrowing - Current (Refer Note 16(a))	1,579.66	21.95	1,601.61
	1,579.66	21.95	1,601.61

The accompanying notes form an integral part of 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 Executive Director

H. S. Khurana
PARTNER
(Membership No. 017779)
Place: New Delhi
Date: 17 July 2020

Dilip Seth
Director (Finance) and CFO

Hitesh Kumar
Company Secretary

Statement of Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital	31 March 2020	31 March 2019
Opening Balance	675.62	675.62
Change during the year	-	-
Closing Balance	675.62	675.62

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Total
	Capital Reserve	Securities Premium	General Reserve	Revaluation Reserve	Retained Earnings	
Balance as at 01 April 2018	159.50	737.96	5,113.77	1,311.10	3,756.83	11,079.16
Profit / (Loss) for the year					72.61	72.61
Total Other Comprehensive Income/ (Loss) for the year (net of tax)					(26.53)	(26.53)
Balance as at 31 March 2019	159.50	737.96	5,113.77	1,311.10	3,802.91	11,125.24
Profit / (Loss) for the year					(717.58)	(717.58)
Total Other Comprehensive Income/ (Loss) for the year (net of tax)					(73.70)	(73.70)
Balance as at 31 March 2020	159.50	737.96	5,113.77	1,311.10	3,011.63	10,333.96

The accompanying notes form an integral part of 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 Executive Director

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

Place: New Delhi
Date: 17 July 2020

Dilip Seth
Director (Finance) and CFO

Hitesh Kumar
Company Secretary

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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 21 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 and presentation

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 following assets and liabilities which have been measured at fair value amount:

- i) Certain Financial Assets and Liabilities
- ii) Defined Benefit Plans – Plan Assets and
- iii) Freehold Land

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.

With effect from 1 April 2019, Ind AS 116 – "Leases" (Ind AS 116) supersedes Ind AS 17 – "Leases". The Company has adopted Ind AS 116 using the modified retrospective method. The application of Ind AS 116 has resulted into recognition of 'Right-of-Use' asset with a corresponding Lease Liability in the Balance Sheet.

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.

The financial statements are approved for issue by the Company's Board of Directors on 17 July 2020.

2.2 Use of Estimates and Judgments

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.

iii) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Archies' operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts (Refer to Note 2.19).

iv) Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

v) Provisions

The timing of recognition and quantification of the liability (including litigations) requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

vi) Recognition of Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

vii) Global Health Pandemic COVID-19

The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses, resulting in an economic slowdown.

COVID19 is significantly impacting business operation of the company, by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lockdown of production facilities etc. On 24 March 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till 3 May 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities. The Operations of the Company have resumed in a partial manner at manufacturing location and at stores from 8th May 2020.

In assessing the recoverability of Company's assets such as, Inventories, receivables, Security deposits etc. the Company has considered internal and external information. The Company expects to recover the carrying amount of the assets.

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.

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.

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.

NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

he estimated useful lives are as follows:

- Factory Building 30 years
- Plant and Machinery 15-25 years
- Furniture and 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 below 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.

Particulars	Depreciation
Plant and Machinery (useful life 15-25 years)	Over its useful life as technically assessed
Furniture & Fixtures (useful life 10-30 years)	Over its useful life as technically assessed
Vehicles (useful life 8-15 years)	Over its useful life as technically assessed

v) Derecognition

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

2.4 Financial Instruments

i) Recognition and initial measurement

All 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.

ii) Subsequent Measurement

Financial Assets

a) Financial Assets measured at Amortised Cost (AC)

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

b) Financial assets at fair value through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets measured at Fair Value Through Profit or Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss.

Financial Liabilities

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.

NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

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.

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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.

Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net recoverable taxes incurred in bringing them to their respective present location and condition.

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

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.

Post-Employment Benefits

i) 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.

ii) 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 projected 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. 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.

iii) Other Long Term Employee Benefits

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, at each Balance Sheet date using the projected unit credit method.

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.

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH2020

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.

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

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.

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 the 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 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

Segment Reporting are reported in the following manner as consistent with the internal reporting provided to the chairman and executive director as chief operating decision maker.

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

(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 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.

2.17 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.

2.18 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.

2.19 Leases

The Company has applied Ind AS 116 using the modified retrospective method along with the transition option to recognise Right-of-Use assets (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. The Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- a) Fixed payments, including in-substance fixed payments;
- b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) Amounts expected to be payable under a residual value guarantee; and
- d) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company does not have leases of low value of assets.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Financial Liabilities' in the Balance Sheet.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 9.60%

All the leases are either for running Company store or for use as office. All the terms are as per normal lease agreements. In few cases there is a lock-in period for both parties. All leases are for a fixed tenure. In few cases the lease can be renewed by mutual consent increasing the consideration.

Company can terminate the lease after expiry of lock-in period. The lessor can terminate the agreement in case of default on the part of lessee.

In cases where the lessor has the right to terminate the lease giving few months notice has been covered under short term leases.

The cases where the Company has to pay consideration at some percentage of net sales have been considered as variable lease payments and covered under short term leases. The future cash outflows in such leases depend upon the future revenue of the Company and can't be determined in advance.

There is no case where Company has to give residual value guarantee.

Short-term leases

The Company has elected not to recognise right-of-use assets and lease liabilities for short- term leases of Property, Plant and Equipment that have a lease term of twelve months or less existing on 01 April, 2019. The Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Under Ind AS 17

In the comparative period, 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 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.

Change in Accounting Policy

The Company has applied Ind AS 116 "Leases" to all the lease contracts, excepts for leases with a lease term of twelve months or less (short-term leases) existing on 1 April 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use assets (ROU) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. For the short term leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Accordingly, comparatives for the year ended 31 March 2020 have not been retrospectively adjusted and therefore will continue to be reported as per the accounting policies included in the Annual Report of the Company for year ended 31 March 2019.

NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**The impact of change in accounting policy on account of adoption of Ind AS 116**

- i) On transition, Right of use assets of ₹ 7246.49 Lakhs and lease liabilities of ₹ 7273.78 Lakhs have been recognised as on 1 April 2019.
- ii) The impact of change in accounting policy on Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the year on account of adoption of Ind AS 116 is as follows :

Particulars	(₹ in Lakhs)
Balance Sheet	
Increase in Lease Liabilities	6,204.45
Increase in rights of use Assets	5,777.60
Decrease in Deferred Rent Obligations	97.49
Statement of Profit and Loss	
Increase in Finance Cost	633.09
Increase in Depreciation	1,468.89
Deferred Rent Obligation (Adjusted)	70.20
Decrease in Rent Expenses	1,702.42
Net Impact on Profit and Loss	(329.36)
Cash Flow Statement	
Increase in cash inflow from Operating Activities	2,004.49
Increase in cash outflow from Financing Activities	1,702.42

(b) Maturity Analysis of Lease Liabilities

Contractual Undiscounted Cash Flows	(₹ in Lakhs)
Less than One Year	1,770.38
More than one year but less than five years	4,729.52
More Than Five Years	1,791.59
Total Undiscounted lease liabilities at 31 March 2020	8,291.49

Lease Liabilities included in the Balance Sheet at 31 March 2020	(₹ in Lakhs)
Current	1,229.03
Non Current	4,975.42
Total Lease Liabilities included in the Balance Sheet at 31 March 2020	6,204.45

(c) Amount recognised in Profit and Loss

Particulars	(₹ in Lakhs)
Interest on Lease Liabilities (Refer Note No. 26)	633.09
Depreciation on Right of Use Assets (Refer Note No. 3.2)	1,468.89
Rent (Refer Note No. 25)	
Variable Lease payments not included in the measurement of lease liabilities	82.84
Deferred Rent Obligation	(70.20)
Expenses relating to short term leases	626.97
Total Rent	639.61

(d) Amount recognised in Cash Flow Statements

Particulars	(₹ in Lakhs)
Total Cash outflow for leases	1,702.42

NOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3.1 PROPERTY, PLANT AND EQUIPMENT]

OWN ASSETS

(₹ 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
Gross carrying amount											
At 1 April 2019	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
Additions	-	-	352.52	203.67	28.25	-	-	-	13.31	-	597.75
Disposals	-	-	62.49	133.20	16.05	2.80	42.45	-	2.57	-	259.56
Adjustments	(59.70)	-	-	-	-	-	-	-	-	-	(59.70)
At 31 March 2020	2,450.05	368.37	1,781.70	1,784.87	178.72	28.35	1,916.47	89.28	230.76	1.29	8,829.86
Accumulated Depreciation											
At 1 April 2019	-	44.04	202.28	467.34	84.59	13.71	102.12	4.41	110.63	0.47	1,029.59
Depreciation	-	15.38	56.80	206.43	22.82	2.48	33.82	1.48	33.79	0.12	373.12
Disposals	-	-	11.94	57.39	4.40	0.95	2.59	-	0.61	-	77.88
At 31 March 2020	-	59.42	247.14	616.38	103.01	15.24	133.35	5.89	143.81	0.59	1,324.83
Net book value											
At 31 March 2020	2,450.05	308.95	1,534.56	1,168.49	75.71	13.11	1,783.12	83.39	86.95	0.70	7,505.03

PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 31 MARCH 2019

OWN ASSETS

(₹ 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
Gross carrying amount											
At 1 April 2018	2,410.25	453.74	2,211.63	3,667.10	527.68	67.99	2,266.67	92.56	622.89	9.06	12,329.57
Additions	99.50	9.33	74.57	264.39	36.42	-	-	-	52.59	-	536.80
Disposals	-	-	0.82	216.35	14.16	8.72	115.06	-	7.62	-	362.73
Adjustments due to loss by fire	-	-	-	29.38	34.19	-	-	-	81.59	-	145.16
At 31 March 2019	2,509.75	463.07	2,285.38	3,685.76	515.75	59.27	2,151.61	92.56	586.27	9.06	12,358.48
Accumulated Depreciation											
At 1 April 2018	-	123.41	944.65	2,421.96	444.87	41.59	270.66	6.22	514.36	8.12	4,775.84
Depreciation	-	15.34	51.75	188.14	23.71	4.11	35.21	1.47	37.71	0.12	357.56
Disposals	-	-	0.41	153.58	13.07	3.87	11.06	-	7.30	-	189.29
Adjustments due to loss by fire	-	-	-	17.82	21.69	-	-	-	67.89	-	107.40
At 31 March 2019	-	138.75	995.99	2,438.70	433.82	41.83	294.81	7.69	476.88	8.24	4,836.71
Net book value											
At 31 March 2019	2,509.75	324.32	1,289.39	1,247.06	81.93	17.44	1,856.80	84.87	109.39	0.82	7,521.78

Note:

1. 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.
2. For details of hypothecated Property, Plant and Equipment, refer to Note No. 16(a)

ANOTE TO FINANCEIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3.2 RIGHT OF USE ASSETS

	(₹ in lakhs)	
	Building	Total
Gross carrying amount		
At 1 April 2019	-	-
Additions	7,246.49	7,246.49
At 31 March 2020	7,246.49	7,246.49
Accumulated Depreciation		
At 1 April 2019	-	-
Depreciation	1,468.89	1,468.89
At 31 March 2020	1,468.89	1,468.89
Net book value		
At 31 March 2020	5,777.60	5,777.60
At 31 March 2019	-	-

3.3 DEPRECIATION AND AMORTISATION EXPENSE

Property Plant and Equipment

	(₹ in lakhs)	
	31 March 2020	31 March 2019
Property Plant and Equipment	373.12	357.56
Right of Use Assets	1,468.89	-
Total	1,842.01	357.56

4 CAPITAL WORK - IN- PROGRESS

	(₹ in lakhs)	
	31 March 2020	31 March 2019
Opening	32.67	9.75
Add: Additions during the year	176.65	250.59
Less: Capitalised during the year	192.00	227.67
Closing	17.32	32.67

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

5 FINANCIAL ASSETS

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
(Unsecured and Considered Good)		
Loans - Non Current		
<i>(Carried at amortised Cost)</i>		
Security Deposits*	753.04	842.13
Total	753.04	842.13

*Security deposit includes `Nil (31 March 2019 `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

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Advances to Suppliers	-	23.57
Less: Provision for Doubtful Advances	-	23.57
	-	-
(Unsecured and Considered Good)		
Capital Advance	5.00	21.06
Prepaid Expenses	10.87	8.36
Prepayment	154.60	182.88
Security Deposits	16.14	16.02
MAT Credit Entitlement	6.91	14.96
Advance to Staff	1.76	2.72
Total	195.28	246.00

7 INVENTORIES

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Raw Materials	122.94	95.46
Work in Progress	21.96	38.90
Manufactured Goods	1,312.55	1,025.45
Traded Goods	4,363.31	3,926.04
Total	5,820.76	5,085.85

For details of hypothecated Stocks refer to Note no. 16(a)

8 FINANCIAL ASSETS

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
a) Trade Receivables		
Unsecured and considered doubtful	39.03	34.98
Less: Provision for Doubtful Debts	39.03	34.98
	-	-
Unsecured and considered good	1,609.47	1,924.17
Less: Allowance of credit losses*	(10.15)	(13.95)
Total	1,599.32	1,910.22

*Reflect the loss allowance recognised using life time expected credit loss model (refer note 2.6)

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

(₹ in Lakhs)

	31 March 2020	31 March 2019
b) Cash and Cash Equivalents		
Cash on Hand	33.49	54.66
Balance with Banks	34.95	109.48
Total	68.44	164.14
c) Bank balances other than (b) above		
Unclaimed Dividend Accounts	5.61	8.23
Fixed Deposits with Banks*	30.34	40.94
Interest Accrued on Fixed Deposits	7.24	5.92
Total	43.19	55.09
*Deposited against Bank Guarantee, Margin Money and Sales Tax Department		
d) Loans - Current		
(Unsecured and considered good)		
(Carried at amortised Cost)		
Security Deposits	53.63	50.18
Total	53.63	50.18
e) Other Financial Assets		
(Unsecured and considered good)		
Fire Insurance Claim Receivable*	510.55	510.90
Others**	21.94	13.52
Total	532.49	524.42
*Claim receivable pertains to the fire at Company's Corporate Office cum Godown at Naraina, Delhi on 14 February 2019. The claim amount is substantial therefore the approval process involves the approval from Head Office. The Surveyor has submitted his report to the Branch Office. The Branch Office has forwarded the report to the Regional Office. The process is taking unduly long time due to the occurrence of COVID 19.		
Others**		
Gratuity Receivables	13.97	5.14
Claim Receivables	7.97	8.38
Total	21.94	13.52

9 OTHER CURRENT ASSETS

(₹ in Lakhs)

	31 March 2020	31 March 2019
(Unsecured, considered good)		
Balance with Government Authorities	80.50	57.31
Advances to Suppliers	80.32	157.63
Prepaid Expenses	26.92	37.31
Prepayment	55.70	64.55
Advances to staff	7.92	7.35
Others*	2.59	3.54
Total	253.95	327.69
*Others		
Archies Greeting & Gifts Employee Group Gratuity Scheme	0.14	0.11
Interest Receivable	0.03	-
Advance Rent	0.75	0.75
TDS Receivables	1.36	1.43
Other Receivables	0.31	1.25
Total	2.59	3.54

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

(₹ in Lakhs)

	31 March 2020	31 March 2019
10 EQUITY SHARE CAPITAL		
Authorised Capital		
750,00,000 (31 March 2019, 750,00,000) Equity Shares of ₹ 2/- each	1,500.00	1,500.00
Issued, Subscribed and Paid up		
337,80,000 (31 March 2019, 337,80,000) Equity Shares of ₹ 2/- each fully paid up.	675.60	675.60
Forfeited Shares	0.02	0.02
	675.62	675.62

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

	31 March 2020		31 March 2019	
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	7061607	20.90
Jagdish Moolchandani	4253230	12.59	4253230	12.59
Pushpa Moolchandani	2964250	8.78	2964250	8.78
Karan Moolchandani	1852000	5.48	1852000	5.48
Varun Moolchandani	1844890	5.46	1630750	4.83
Raghav Moolchandani	1808120	5.35	1808120	5.35

Terms/ rights attached to equity shares

The company has only one class of equity shares having a face value of ₹ 2 each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

11 OTHER EQUITY

(₹ in Lakhs)

	31 March 2020	31 March 2019
a) Capital Reserve		
Forfeiture of Share Warrants	159.50	159.50
Closing Balance	159.50	159.50
b) Securities Premium		
Opening Balance	737.96	737.96
Closing Balance	737.96	737.96
c) General Reserve		
Opening Balance	5,113.77	5,113.77
Closing Balance	5,113.77	5,113.77
d) Surplus in Statement of Profit and Loss		
Opening Balance	3,802.91	3,756.83
Other Comprehensive Income (Remeasurement of Defined Benefit Plan (net of tax))	(73.70)	(26.53)
Add : Profit/(Loss) for the Year	(717.58)	72.61
Closing Balance	3011.63	3802.91
e) Other Comprehensive Income		
Changes in Revaluation Surplus (Net of Tax)	1,311.10	1,311.10
TOTAL (a) + (b) + (c) + (d) + (e)	10,333.96	11,125.24

12 FINANCIAL LIABILITIES

(₹ in Lakhs)

	31 March 2020	31 March 2019
a) Lease Liabilities		
Lease Liabilities	4,975.42	-
Total	4,975.42	-
b) Other Financial Liabilities		
Deferred Rent Obligations	-	89.60
	-	89.60

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

13 PROVISIONS	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Provision for employee benefits (Refer Note 32)		
Leave encashment	42.62	32.58
Gratuity	107.20	22.35
Total	149.82	54.93

14 Deferred Tax Assets / Liabilities (Net)	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Deferred Tax Liabilities		
Property, Plant and Equipment	2,294.65	658.38
	(a) 2,294.65	658.38
Deferred Tax Assets		
Employee Benefits	65.01	41.64
Lease Liabilities	1,726.08	-
Deferred Rent Obligation	-	24.93
Unabsorbed Depreciation and Losses	593.98	334.90
Others	20.35	26.84
	(b) 2,405.42	428.31
Deferred Tax (Assets)/Liabilities (Net)	(a-b) (110.77)	230.07
Deferred Tax Charged to Statement of Profit and Loss	(312.43)	0.06
Deferred Tax Charged to Other Comprehensive Income	(28.40)	(10.22)

15 OTHER NON CURRENT LIABILITIES	(₹ in Lakhs)	
	31 March 2020	31 March 2019
Deferred Income	27.63	35.93
Total	27.63	35.93

16 FINANCIAL LIABILITIES	(₹ in Lakhs)	
	31 March 2020	31 March 2019
a) Borrowings		
(Loans repayable on demand)		
Secured Loans		
WCDL, Cash Credit, Buyer's Credit from Banks (refer note (i, ii, iii and iv)	1,881.60	1,601.61
Unsecured Loans		
Loan from Directors	950.50	-
Total	2,832.10	1,601.61
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, Varun Moolchandani s/o Anil Moolchandani CMD, and Raghav Moolchandani s/o Jagdish Moolchandani ED.		
iv) Charge given in favor of Indusind bank has been satisfied on 11 January 2019.		
b) Lease Liabilities - Current		
Lease Liabilities	1,229.03	-
Total	1,229.03	-
c) Trade Payables		
Micro and Small Enterprises	40.31	48.88
Other than Micro and Small Enterprises	1,108.99	1,235.12
Total	1,149.30	1,284.00

As at 31 March 2020 interest due to micro enterprises and small enterprises is 'Nil (31 March 2019, ₹ 0.16). During the Year ended 31 March 2020 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 2020.

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020
(₹ in Lakhs)

	31 March 2020	31 March 2019
d) Other Financial Liabilities		
Security Deposit (Received from Franchisee, Agents and Distributors)	543.05	597.61
Interest accrued but not due on borrowings	13.50	-
Accrued Salary and Other Benefits	203.88	267.57
Other Payables for Expenses	465.42	573.63
Book Overdraft	-	4.35
Deferred Rent Obligations	-	7.89
Total	1,225.85	1,451.05
17 OTHER CURRENT LIABILITIES		(₹ in Lakhs)
	31 March 2020	31 March 2019
Advance from Customers	31.56	38.75
Statutory Liabilities	44.35	87.66
Expenses Payable	63.19	72.18
Unclaimed Dividend	5.61	8.23
Deferred Income	14.29	15.49
Total	159.00	222.31
18 PROVISIONS		(₹ in Lakhs)
	31 March 2020	31 March 2019
Provision for employee benefits (Refer Note 32)		
Leave encashment	25.60	24.08
Gratuity	58.25	53.48
Total	83.85	77.56
19 REVENUE FROM OPERATIONS		(₹ in Lakhs)
	Year ended	Year ended
	31 March 2020	31 March 2019
Sale of Products	13,541.59	15,874.85
Other Operating Revenue		
Income from Business Auxillary Services	327.66	206.77
Other*	62.54	54.82
Total	390.20	261.59
Other*	13,931.79	16,136.44
Amount Written Back	40.77	51.84
Breakage, Shortage and Damages	-	0.18
Duty Drawback	1.35	0.34
Scrap Sales	1.28	-
Discount Received	10.20	2.46
Export Credit - Merchandise Export from India Scheme	8.94	-
Total	62.54	54.82

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

20 OTHER INCOME

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Interest Income on financial assets-carried at amortised cost		
a) Fixed Deposit with Banks	2.48	3.41
b) Security Deposits	61.55	69.46
c) Other Interest Income	7.37	4.95
Profit on derecognition of Security Deposits	4.81	2.34
Rent Received	79.28	59.40
Unwinding of Deferred Income of Government Grant	9.50	24.51
Net gain on translation of foreign currency transactions	11.06	18.22
Miscellaneous Income	1.14	1.55
Total	177.19	183.84

21 COST OF MATERIALS CONSUMED

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Opening Stock	95.46	48.41
Add : Purchases	1,068.58	1,147.36
Total	1,164.04	1,195.77
Less: Closing Stock	122.94	95.46
Total	1,041.10	1,100.31

22 PURCHASES OF TRADED GOODS

Traded Goods	4,789.46	5,098.92
Total	4,789.46	5,098.92

23 CHANGES IN INVENTORIES OF MANUFACTURED GOODS, WORK-IN-PROGRESS AND TRADED GOODS (₹ in Lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
Opening Stock		
Manufactured Goods	1,025.45	983.10
Work-in-progress	38.90	30.21
Traded Goods	3,926.04	4,115.85
Total (a)	4,990.39	5,129.16
Closing Stock		
Manufactured Goods	1,312.55	1,025.45
Work-in-progress	21.96	38.90
Traded Goods	4,363.31	3,926.04
Total (b)	5,697.82	4,990.39
Less: Stock Loss (c)	-	473.14
Net Change (a)-(b)-(c)	(707.43)	(334.37)

24 EMPLOYEE BENEFITS EXPENSE

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Salary, Wages and Other Benefits	2,754.50	2,920.83
Contribution to Provident and Other Funds	234.67	214.12
Staff Welfare Expenses	40.05	52.94
Total	3,029.22	3,187.89

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

25 OTHER EXPENSES

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Advertisement	203.46	198.24
Bad Debts	1.68	3.50
Doubtful Debts/ Expected Credit Loss /gain	0.24	0.96
Business Promotion and Development	345.13	459.88
Commission On Sales	622.54	721.53
Communication Expenses	39.28	50.95
Computer Expenses	34.47	31.77
Consumables	15.30	23.85
Conveyance	72.98	87.66
Director's Sitting Fees	2.30	2.08
Discount Allowed	22.46	39.91
Electricity and Water Expenses	354.83	384.20
Freight and Cartage (Outward)	30.59	50.62
Freight and Cartage Inward	231.07	280.46
General Expenses	74.79	50.85
Charity and Donations	2.49	9.00
Insurance	28.17	14.16
Jobwork	199.90	279.48
Legal and Professional Charges*	105.81	110.22
Meeting and Conference Expenses	2.69	6.50
Office and Factory Maintenance	46.64	66.69
Postage, Packing and Forwarding	177.05	206.90
Power	67.41	75.25
Printing and Stationery	14.41	22.38
Rates and Taxes	12.58	16.61
Rent (Refer Note 2.19 and 35)	639.61	2,412.88
Amortisation of Prepayment relating to Security Deposit	66.35	74.28
Repair and Maintenance		
- Machinery	36.74	32.73
- Building	3.81	9.91
- Vehicles	11.82	14.92
- Others repairs	117.96	169.74
Shop Maintenance	419.07	448.61
Travelling Expenses	91.88	110.49
Watch and Ward Expenses	50.95	52.01
Total	4,146.46	6519.22

	(₹ in Lakhs)	
	31 March 2020	31 March 2019
*Include Payments/Provisions to Auditors as		
Statutory Audit Fees	10.75	10.75
Tax Audit Fees	4.00	4.00
Total	14.75	14.75

26 FINANCE COSTS

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Financial Charges	56.16	67.73
Interest Expenses	269.16	202.06
Interest on Lease Liabilities	633.09	-
Total	958.41	269.79

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

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 ₹ 12.52 Lakhs (31 March 2019 ₹ 76.33 Lakhs).

Other Commitment– Estimated amount of contracts remaining to be executed on Other Commitment of Imports (net of advances) and not provided for ₹ Nil Lakhs (31 March 2019 ₹ 266.10 Lakhs).

28. CONTINGENT LIABILITIES

	(₹ In Lakhs)	
	31 MARCH 2020	31 MARCH 2019
a) Tax Deducted at Source*#	Nil*	6.67*
b) Tax Deducted at Source**#	9.02**	9.02**
c) Bank Guarantee	20.03	20.03
d) Custom duty saved on import of Capital goods under EPCG Scheme (Export obligation under the EPCG Scheme was ₹ 251.55 Lakhs (31 March 2019 ₹ 308.56 Lakhs).	41.92	51.42

- e) 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 ₹ 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). CIT (A) vide its order dated 10.02.2020 has partly allowed the appeal.

**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 AS AT 31 MARCH 2020

29. RELATED PARTY DISCLOSURES (Indian Accounting Standard (Ind AS) 24)

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

NAME OF RELATED PARTY	RELATIONSHIP
Mr. Anil Moolchandani (Chairman and Executive Director)	Key Managerial Personnel
Mr. Jagdish Moolchandani (Executive Director)1	
Mr. Varun Moolchandani (Executive Director)2	
Mr. Dilip Seth Director (Finance) and CFO	
Mr. Sunil Behl (Non Executive Independent Director)	
Mr. Arun Singhal (Non Executive Independent Director)	
Dr. Bhavna Chadha (Non Executive Independent Director)3	
Ms Payal Jain (Non Executive Independent Director)4	
Mr. Kanav Dev Sharma (Non Executive Independent Director)5	
Mr. Gautam (Company Secretary)6	
Mr. Hitesh Kumar (Company Secretary)7	
Mrs. Neeru Moolchandani w/o Mr. Anil Moolchandani	
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. Vidhi Moolchandani Daughter in Law of Mr. Anil Moolchandani	
Mrs. Mohini Seth Mother of Mr. Dilip Seth	
M/S Empire Greeting & Gifts Pvt. Ltd. M/S Kyor	Enterprises controlled by Key Managerial Personnel or their relatives
Archies Greeting & Gifts Limited Employees Group Gratuity Scheme8	Post Employment Benefits

- Mr. Jagdish Moolchandani is reappointed as Executive Director of the Company w.e.f. 28.09.2019 subject to approval of the Shareholders in the next AGM of the Company.
- Mr. Varun Moolchandani resigned from the post of Chief Business Officer w.e.f. 24.06.2019 and he was appointed as a Director (Executive) of the Company w.e.f. 25.06.2019.
- Dr. Bhavna Chadha, Non Executive & Independent Director of the company resigned w.e.f. 10.08.2018.
- Ms Payal Jain is appointed as Non Executive Independent Director of the company 10.08.2018.
- Mr. Kanav Dev Sharma is appointed as Non Executive Independent Director of the company 19.08.2019.
- Mr. Gautam resigned from the post of Company Secretary w.e.f. 28.05.2019.
- Mr. Hitesh Kumar is appointed as Company Secretary of the company 12.08.2019.
- Refer to Note 32 for information on transactions with post employment benefits plans mention above.

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

(ii) Transactions during the year with Related Parties :

(₹ In Lakhs)

NATURE OF TRANSACTIONS	KEY MANAGERIAL PERSONNEL		RELATIVES OF KEY MANAGERIAL PERSONNEL		ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL OR THEIR SIGNIFICANT INFLUENCE		TOTAL	
	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019
Purchase of Goods					54.59	47.36	54.59	47.36
Sale of Goods					2.18	16.90	2.18	16.90
Sale of Property, Plant and Equipment	9.82						9.82	
Transfer of Patenet Righths	0.20						0.20	
Interest Paid	50.37				0.00	0.00	50.37	0.00
Rent Paid	49.72	40.38	87.05	90.70	40.00	70.00	176.77	201.08
Salary	75.64	82.99	23.47	30.42			99.11	113.41
Post Employment Benefits	1.81	1.75	0.22	0.22			2.03	1.97
Director's Sitting Fees	2.30	2.08					2.30	2.08
Unsecured Loans Received	1078.00	0.00					1078.00	0.00
Repayment Of Unsecured Loans	127.50	415.00					127.50	415.00
Outstanding Receivables					0.00	12.60	0.00	12.60
Outstanding Payable	984.07	21.11	2.28	7.49	1.26	3.70	987.60	32.30

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

(iii) Transaction wise detail of related parties

(₹ In Lakhs)

S.NO.	NATURE OF TRANSACTIONS	NAME OF RELATED PARTY	31 MARCH 2020	31 MARCH 2019	
1	Purchase of Goods	M/s Kyor	54.59	47.36	
		Total	54.59	47.36	
2	Sale of Goods	M/s Kyor	2.18	16.90	
		Total	2.18	16.90	
3	Sale of Property, Plant and Equipment	Mr. Raghav Moolchandani	9.82	-	
		Total	9.82	-	
4	Transfer of Patent Rights	Mr. Raghav Moolchandani	0.20	-	
		Total	0.20	-	
5	Rent Paid (Key Managerial Personnel)	Mr. Anil Moolchandani	30.88	29.98	
		Mr. Varun Moolchandani	5.04	-	
		Mr. Jagdish Moolchandani	13.80	10.40	
		Total	49.72	40.38	
	Rent Paid	Mrs. Pushpa Moolchandani	47.72	46.19	
		Mrs. Neeru Moolchandani	16.86	16.86	
		Mr. Varun Moolchandani	2.26	8.62	
		Mr. Karan Moolchandani	4.05	3.87	
		Mrs. Mohini Seth	2.66	2.66	
		Mr. Raghav Moolchandani	13.50	12.50	
		M/s Empire Greeting And Gifts Pvt. Ltd.	40.00	70.00	
	Total	127.05	160.70		
	6	Salary Paid (Key Managerial Personnel)	Mr. Anil Moolchandani	7.45	30.87
			Mr. Jagdish Moolchandani	18.79	20.67
Mr. Dilip Seth			25.46	23.15	
Mr. Gautam Verma			1.83	8.30	
Mr. Hitesh Kumar			3.89	-	
Mr. Varun Moolchandani			18.22	-	
Total	75.64	82.99			
Salary Paid	Mr. Varun Moolchandani	3.75	12.50		
	Mrs. Vidhi Moolchandani	9.71	-		
	Mr. Raghav Moolchandani	10.01	17.92		
Total	23.47	30.42			
7	Gratuity and Leave Encashment (Key Managerial Personnel)	Mr. Dilip Seth	1.18	0.83	
		Mr. Gautam	-	0.26	
		Mr. Hitesh Kumar	0.14	-	
Defined Contribution Plan (Provident Fund) (Key Managerial Personnel)	Mr. Anil Moolchandani	0.05	0.22		
	Mr. Jagdish Moolchandani	0.22	0.22		
	Mr. Dilip Seth	0.22	0.22		
Post Employment Benefits	Total	1.81	1.75		
8	Defined Contribution Plan (Provident Fund) Relative	Mr. Raghav Moolchandani	0.22	0.22	
		Total	0.22	0.22	
9	Director's Sitting Fees	Mr. Sunil Behl	0.78	0.70	
		Dr. Bhavna Chadha	-	0.35	
		Ms Payal Jain	0.60	0.38	
		Mr. Arun Singhal	0.78	0.65	
		Mr. Kanav Dev Sharma	0.15	-	
		Total	2.30	2.08	
10	Interest Paid	Mr. Anil Moolchandani	44.38	-	
		Mr. Jagdish Moolchandani	3.71	-	
		Mr. Varun Moolchandani	2.28	-	
		Total	50.37	-	

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

11	Unsecured Loan Received	Mr. Anil Moolchandani	904.00	-
		Mr. Jagdish Moolchandani	124.00	-
		Mr. Varun Moolchandani	50.00	-
		Total	1,078.00	-
12	Repayment Of Unsecured Loans	Mr. Anil Moolchandani	82.00	415.00
		Mr. Jagdish Moolchandani	20.50	-
		Mr. Varun Moolchandani	25.00	-
		Total	127.50	415.00
13	Outstanding Payable	Salary and other benefits Payable		
		Mr. Anil Moolchandani	-	1.48
		Mr. Jagdish Moolchandani	0.07	0.93
		Mr. Dilip Seth	18.55	17.56
		Mr. Gautam Verma	-	1.14
		Mr. Hitesh Kumar	0.52	-
		Mr. Karan Moolchandani	-	-
		Mr. Varun Moolchandani	0.93	0.96
		Mrs. Vidhi Moolchandani	0.71	-
		Mr. Raghav Moolchandani	1.57	6.00
	Total	22.35	28.07	
	Rent Payable	Mrs. Pushpa Moolchandani	-	0.29
		Mr. Karan Moolchandani	-	0.24
		Total	-	0.53
	Interest Payable	Mr. Anil Moolchandani	11.40	-
		Mr. Jagdish Moolchandani	1.46	-
Mr. Varun Moolchandani		0.64	-	
	Total	13.50	-	
	Unsecured Loan Payable	Mr. Anil Moolchandani	822.00	-
		Mr. Jagdish Moolchandani	103.50	-
		Mr. Varun Moolchandani	25.00	-
		Total	950.50	-
	Trade Payable	M/s Kyor	1.26	3.70
	Total	1.26	3.70	
	Total Outstanding Payable	987.60	32.30	
14	Outstanding Receivable Other Receivable			
		M/s Empire Greeting And Gifts Pvt. Ltd.	-	12.60
		Total	-	12.60
	Total Outstanding Receivable	-	12.60	

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

30. SEGMENT REPORTING

Based on the 'management approach' as defined in Ind AS-108 (Operating Segments), the Chief Operating Decision Maker, being the Chairman-cum-Executive 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 2020	31 MARCH 2019
	Segment Revenue		
a	Greeting Cards	1816.98	2406.49
b	Stationery	2678.36	2716.84
c	Gifts	8756.30	10489.83
d	Others	289.95	261.69
	Income From Operations	13541.59	15874.85
	Segment Revenue		
	Profit before Depreciation, Finance Costs and Tax		
a	Greeting Cards	161.88	267.99
b	Stationery	350.67	401.32
c	Gifts	(262.12)	432.48
d	Others	40.48	20.60
	Total	290.91	1122.39
	Less: Finance Costs	958.41	269.79
	Less: Other unallocable expense net of unallocable Income	354.41	779.93
	Profit / (Loss) before Tax	(1021.91)	72.67
	Capital Employed		
	(Segment Assets - Segment Liabilities)		
	Segment Assets		
	Segment Assets	22841.58	16847.92
	Segment Liabilities	11832.00	5047.06
	Capital Employed	11009.58	11800.86

(ii) Information about Geographical segment

Particulars	Sales Revenue by Geographical Market		Carrying Amount of Segment Assets		Additions to Property, Plant and Equipment	
	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019	31 MARCH 2020	31 MARCH 2019
	East	1,052.80	1,074.03	189.78	191.31	0.15
West	2,777.38	3,080.20	1,075.82	1,212.40	101.56	54.85
North	7,062.10	8,375.28	20,472.80	14,122.22	462.53	379.15
South	2,261.11	2,622.90	955.85	1,152.08	31.51	102.61
Central	323.03	540.91	147.33	169.91	2.00	0.19
Export	65.17	181.53	Nil *	Nil *	Nil *	Nil *
Total	13,541.59	15,874.85	22841.58	16847.92	597.75	536.80

* 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 AS AT 31 MARCH 2020

31. FINANCIAL INSTRUMENTS

Financial Instruments by category

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	(₹ in Lakhs)		
	Amortised Cost	Total carrying value	Total fair value and Amortised Cost
Assets:			
Trade Receivables (Refer Note 8a)	1,599.32	1,599.32	1,599.32
Cash and Cash Equivalents (Refer Note 8b)	68.44	68.44	68.44
Other Financial Assets (Refer Note 5, 8c, 8d and 8e)	1,382.35	1,382.35	1,382.35
Total	3,050.11	3,050.11	3,050.11
Liabilities:			
Borrowings (Refer Note 16a)	2,832.10	2,832.10	2,832.10
Trade Payables (Refer Note 16c)	1,149.30	1,149.30	1,149.30
Other Financial Liabilities (Refer Note 12, 16b and 16d)	7,430.30	7,430.30	7,430.30
	11,411.70	11,411.70	11,411.70

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

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

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 for the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

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 affected as the rupee appreciates / depreciates against US Dollar.

NOTES TO FINANCIAL STATEMENTS AS AT 31 MARCH 2020

Foreign Currency Risk

The following table analyses foreign currency risk from financial instruments:

Particulars	(₹ in Lakhs)	
	31 March 2020 U.S.D. equivalent (₹ in lakhs)	31 March 2019 U.S.D. equivalent (₹ in lakhs)
Cash and Cash Equivalents	9.24	22.03
Trade Receivables	38.22	114.06
Trade Payables	(102.60)	(90.70)
	<u>(55.14)</u>	<u>45.39</u>

For each of the years ended 31 March 2020 and 31 March 2019, 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 0.08% and 0.63% 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 ₹1599.32 lakhs and ₹1910.22 lakhs as of 31 March 2020 and 31 March 2019, 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 2020 and 31 March 2019, respectively and revenues for the year ended 31 March 2020 and 31 March 2019, 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 2020 was ₹3.80 Lakhs (31 March 2019 ₹1.55 lakhs)

Particulars	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning	13.95	15.50
Impairment loss recognised/(reversed)	(3.80)	(1.55)
Balance at the end	10.15	13.95

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 2020, the Company had a working capital of ₹ 1,692.65 lakhs including cash and cash equivalents of ₹ 68.44 lakhs. 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.

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Less than 1 year	1-2 years	2-4 years	More than 4 years	Total
Trade Payables (Refer Note 16(c))	1,149.30	-	-	-	1,149.30
Other Financial Liabilities (Refer Note 12, 16b and 16d)	2,454.88	1,120.52	1,812.83	2,042.07	7,430.30
	<u>3,604.18</u>	<u>1,120.52</u>	<u>1,812.83</u>	<u>2,042.07</u>	<u>8,579.60</u>

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	More than 4 years	Total
Trade Payables (Refer Note 16(c))	1,284.00	-	-	-	1,284.00
Other Financial Liabilities (Refer Note 12, 16b and 16d)	1,451.05	41.71	41.16	6.73	1,540.65
	<u>2,735.05</u>	<u>41.71</u>	<u>41.16</u>	<u>6.73</u>	<u>2,824.65</u>

Notes to financial statements for the year ended 31 March 2020

32. EMPLOYEE BENEFITS (IND AS - 19)

The principal assumptions used in actuarial valuation are as below:

	31 March 2020	31 March 2019
Discount Rate (per annum)	6.40%	7.05%
Salary growth rate (per annum)	2.00%	2.00%

Assets and Liabilities (Balance Sheet Position)

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Present Value of Obligation	104.03	467.51	90.17	375.16
Fair value of Plan Assets	35.81	302.06	33.51	299.33
Surplus / (Deficit)	(68.22)	(165.45)	(56.66)	(75.83)
Net Asset / (Liability)	(68.22)	(165.45)	(56.66)	(75.83)

Changes in the Present Value of the Obligations

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Present Value of Obligation as at the beginning	90.17	375.16	76.46	306.29
Current Service Cost	17.04	34.04	18.77	27.71
Interest Expense or Cost	6.37	26.51	5.69	22.80
Re-measurement (or Actuarial) (gain) / loss arising from:				
-change in demographic assumptions	(0.02)	(0.20)	-	-
-change in financial assumptions	3.20	17.01	1.65	8.42
-experience variance (i.e. Actual experience vs assumptions)	10.21	83.81	(1.40)	29.40
Past Service Cost	-	-	-	-
Benefits Paid	(22.94)	(68.82)	(11.00)	(19.46)
Present Value of Obligation as at the end	104.03	467.51	90.17	375.16

Notes to financial statements for the year ended 31 March 2020

Changes in Fair Value of Plan Assets

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment	Gratuity Funded
Fair Value of Plan Assets as at the beginning	33.51	299.33	18.34	258.93
Investment Income	2.37	21.15	1.37	19.28
Employer's Contribution	-	51.88	13.32	39.51
Benefits Paid	-	(68.82)	-	(19.46)
Return on plan assets, excluding amount recognised in net interest expense	(0.07)	(1.48)	0.48	1.07
Fair Value of Plan Assets as at the end	35.81	302.06	33.51	299.33

Expenses Recognised in the Income Statement

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Current Service Cost	17.04	34.04	18.77	27.71
Past Service Cost	-	-	-	-
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.00	5.36	4.32	3.52
Re-measurement (or Actuarial) (gain)/ loss arising from:				
-change in demographic assumptions	(0.02)	-	-	-
-change in financial assumptions	3.20	-	1.65	-
-experience variance (i.e. Actual experience vs assumptions)	10.21	-	(1.40)	-
Return on plan assets, excluding amount recognised in net interest expense	0.07	-	(0.48)	-
Expenses Recognised in the Income Statement	34.50	39.40	22.86	31.23

Notes to financial statements for the year ended 31 March 2020

Other Comprehensive Income

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Actuarial (gains) / losses				
-change in demographic assumptions	-	(0.20)	-	-
-change in financial assumptions	-	17.01	-	8.42
-experience variance (i.e. Actual experience vs assumptions)	-	83.81	-	29.40
Return on plan assets, excluding amount recognised in net interest expense	-	1.48	-	(1.07)
Components of defined benefit costs recognised in other comprehensive income	-	102.10	-	36.75

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

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Funds managed by Insurer	100%	100%	100%	100%
Total	100%	100%	100%	100%

Present Value of Obligation (net of Plan Assets)

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Current Liability	25.60	58.25	24.08	53.48
Non-Current Liability	42.62	107.20	32.58	22.35
Total	68.22	165.45	56.66	75.83

Notes to financial statements for the year ended 31 March 2020

Demographic Assumptions

The principal demographic assumptions used in the actuarial valuation:

Particulars	31 March 2020		31 March 2019	
	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%
Rate of Leave Availment (per annum)	2%	-	2%	-
Rate of Leave Encashment during employment (per annum)	0%	0%	0%	0%

Sensitivity Analysis

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

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Change in Discount Rate				
1 % increase	99.20	441.88	86.17	354.81
1 % decrease	109.36	495.92	94.57	397.70
Change in Salary Growth Rate				
1 % increase	109.55	495.89	94.76	397.87
1 % decrease	98.96	441.18	85.95	354.28

Change in Attrition Rate				
50 % increase	108.35	486.94	93.46	394.19
50 % decrease	96.90	438.32	84.70	347.09
Change in Mortality Rate				
10 % increase	104.05	467.75	90.19	375.41
10 % decrease	104.00	467.27	90.15	374.92

Expected Contribution during the next annual reporting year

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
The Company's best estimate of Contribution during the next year	85.92	198.48	73.65	103.18

Notes to financial statements for the year ended 31 March 2020

Maturity Profile of Defined Benefit Obligation

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
Weighted average duration (based on discounted cash flows)	5 Years	6 Years	4 Years	6 Years

Expected cash flows over the next (valued on undiscounted basis)

(₹ in Lakhs)

Particulars	31 March 2020		31 March 2019	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Funded	Gratuity Funded
1 year	25.60	58.25	24.08	53.48
2 to 5 years	54.79	263.01	47.25	197.95
6 to 10 years	34.33	197.65	31.41	181.87
More than 10 years	36.82	201.75	32.00	171.71

Gratuity (Windup Liability / Discontinuance Liability)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019	Increase %
Discontinuance Liability*	651.35	548.08	19
Present Value of Obligation	467.51	375.16	25
Ratio (Present Value of Obligation / discontinuance Liability)	72%	68%	5

* Discontinuance liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated ignoring the vesting criteria.

Leave encashment (Windup Liability / Discontinuance Liability)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019	Increase %
Discontinuance Liability *	125.05	106.25	18
Present Value of Obligation	104.03	90.17	15
Ratio (Present Value of Obligation / discontinuance Liability)	83%	85%	(2)
Average Present Value of Obligation per Closing Leave Balance	447	342	31

* Discontinuance liability is the amount that would be payable to the employees if all the obligations were to be settled immediately. It has been calculated based on salary used for valuing leave encashment.

Expenses recognised in the Statement of Profit and Loss for Defined Contribution Plans

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Employer's Contribution to Provident Fund	144.82	115.20
Employer's Contribution to Employee State Insurance Corporation	48.30	66.46

Notes to financial statements for the year ended 31 March 2020

33. INCOME TAX

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

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Current tax	-	14.96
Deferred tax	(340.83)	10.16
MAT Credit Entitlement	-	(14.96)
Tax paid for earlier Years	8.10	-
Income tax expense	(332.73)	(10.16)

Reconciliation of tax expense and the accounting profit multiplied by Income tax rate for 31 March 2020 and 31 March 2019:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Accounting profit/(loss) before tax	(1,021.91)	72.67
Tax at India's statutory income tax rate of 27.82% (31March 2019 27.82%)	(284.30)	20.22
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Effect of depreciation and sale of property, plant and equipment	(1,271.46)	(33.98)
Effect of Employee benefit expenses	12.12	5.80
Effect of Unabsorbed Depreciation and Business Loss	-	(0.72)
Effect of Ind AS adjustments	1,374.99	(1.48)
Effect of Non Deductible Expenses	(5.70)	-
Tax paid for earlier years	8.10	-
Effect of Tax Rate Differences	(166.49)	-
Income tax expenses	(332.73)	(10.16)

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.

Notes to financial statements for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Borrowings	2,832.10	1,601.61
Less: Cash and Cash Equivalents	68.44	164.14
Net Debt (A)	2,763.66	1,437.47
Equity	675.62	675.62
Other Equity	10,333.96	11,125.24
Total Capital	11,009.58	11,800.86
Capital and Net Debt (B)	13,773.24	13,238.33
Gearing Ratio (A/B*100)	20.07%	10.86%

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 2020 and 31 March 2019.

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 ₹ 639.61 Lakhs (Operating Lease 709.81 Lakhs as reduced by 70.20 Lakhs being Deferred Rent Obligations relating to operating lease) (31 March 2019, ₹ 2412.88 Lakhs), which includes contingent rents of ₹ 82.84 Lakhs (31 March 2019, ₹ 4.75 Lakhs).

Leases payments received (or receivable) recognised in the statement of profit and loss ₹ 79.28 Lakhs (31 March 2019, ₹ 59.40 Lakhs),

The Lease Agreements are further renewable after its expiry of initial term with a mutual consent, subject to revision in Lease rentals.

Particulars	31 March 2020	31 March 2019
Lease Rent Payable not later than one year	58.40	2,225.08
Lease Rent Payable later than one year but not later than five years	-	6,152.77
Lease Rent Payable later than five years	-	1,691.55

36. EARNING PER SHARE (IND AS - 33)

Particulars	31 March 2020	31 March 2019
Profit / (Loss) after Tax (₹ in Lakhs)	(717.58)	72.61
Weighted Average Number of Equity Shares	3,37,80,000	3,37,80,000
Nominal value per Equity Share (₹)	2/-	2/-
Basic and Diluted Earnings per Share (₹)	(2.12)	0.21

As per our report of even date attached

For and on behalf of the Board

For **J.P., Kapur & Uberai**
Chartered Accountants
(Firm Registration No. 000593N)

Anil Moolchandani
Chairman and Executive Director

Dilip Seth
Director (Finance) and CFO

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

Hitesh Kumar
Company Secretary

Place: New Delhi
Date: 17 July 2020



The most special way to say you care

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