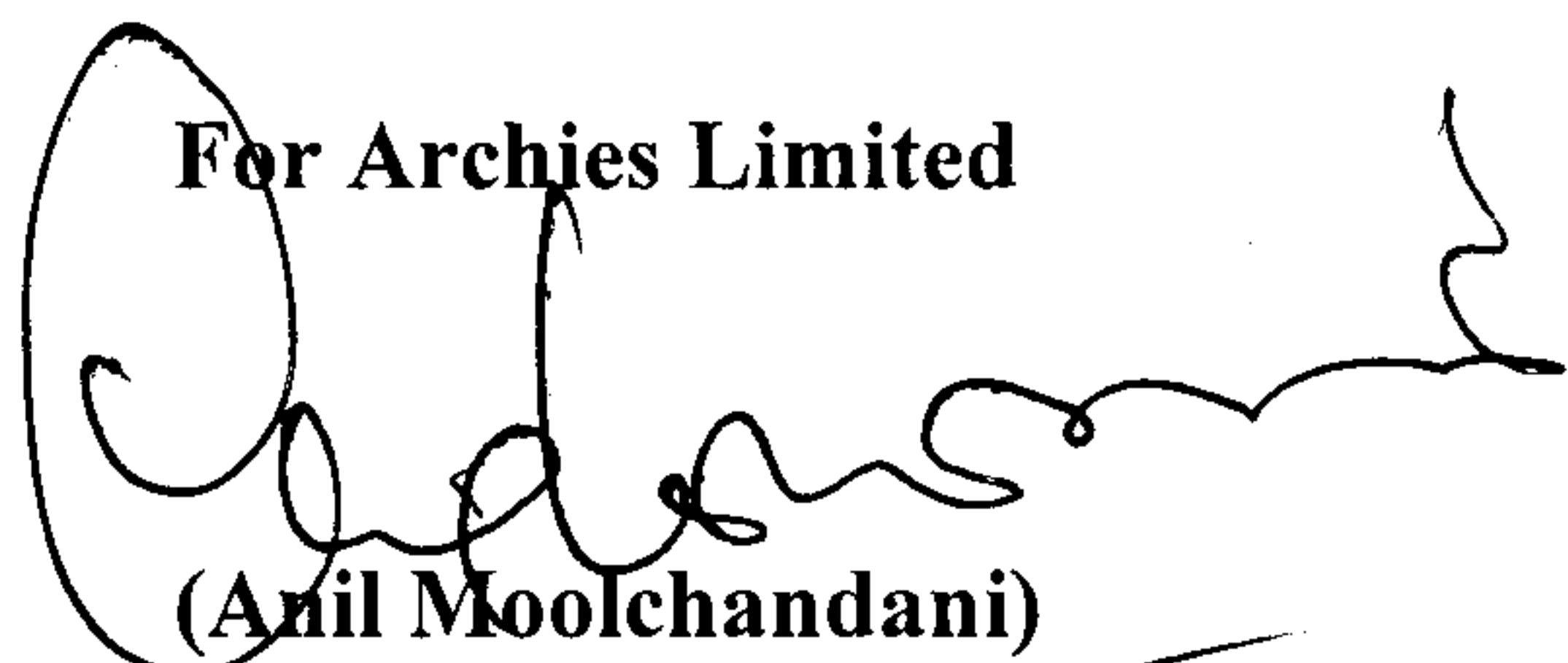
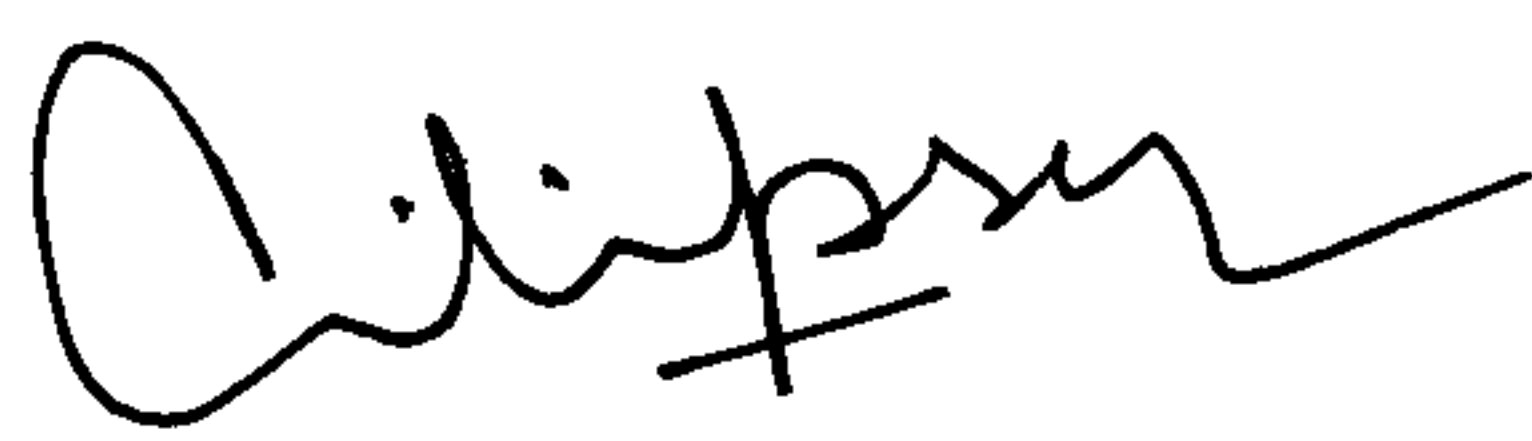



**FORM A****(Pursuant to Clause 31(a) of the Listing Agreement)**

1.	Name of the Company	Archies Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable

**For Archies Limited**  
**(Anil Moolchandani)**  
**Chairman & Managing Director****For Archies Limited**  
**(Dilip Seth)**  
**Director (Finance) & CFO****For Archies Limited**  
**(Sunil Behl)**  
**Chairman -Audit Committee****For Uberoi Sood & Kapoor**  
**Chartered Accountants**  
**(Firm Registration No. 001462N)**  
**S.D. Sharma****Partner****Membership No. 80399****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, GURGAON-122050, HARYANA (INDIA)



# The Voice Within

*Annual Report*  
2014-2015



 **archies®**





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PAGE 62-83	BALANCE SHEET



# The Voice Within





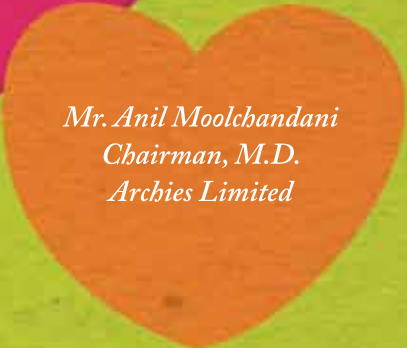
*Dear Friends,*

*Relationships are built when people express themselves. And relationships that last are the ones in which the expressions are straight from the heart. Its only when one lays open their soul to someone that they really connect. Magic happens when one lets the voice within them talk. And that is what we help people do.*

*The theme for this year's Annual Report is the Voice Within. We are in the business of expressions. We help people express what they truly feel when they don't have the words to do it themselves. We give their inner voice an outlet through our products.*

*The sections that follow will give you an account of what went on at Archies this year. Reading through the sections will help you realize how we are following the voice within us to help our customers find theirs. I'm pleased to present to you this year's Annual Report.*

*I hope you enjoy reading it.*



*Mr. Anil Moolchandani  
Chairman, M.D.  
Archies Limited*

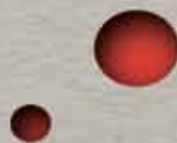
*BECAUSE*  
**SOMETIMES**

—•••*the*•••—

**voice**

♥ **SAYS** ♥

**i love  
you**







*The purest of emotion is often the most difficult to express.*

*Love, in all its various manifestations, remains something that most have trouble expressing. Be it the relationship between a father and his son, the one between siblings or those of the romantic kind, only a few are blessed to know the right things to say. The majority has no clue. No clue as to how to put into words what their inner voice is saying. Luckily, they have our Greeting Cards to do the job for them.*

*The single most important objective our Creative Team follows is to remain true to emotions. The team puts in countless hours observing the way people think, behave and talk and yet more in coming up with creative concepts to express their thoughts. We keep introducing newer collections of Greeting Cards to help our customers find newer ways to express themselves. The newer collections also include innovations in designing, printing and fabricating.*



Because  
sometimes  
it  
says

i Adore  
you





*There are times when just a greeting card won't do. Maybe it's an occasion that demands something more or it's a relationship that deserves more. It's at times like these that a stuffed toy is the perfect solution. A stuffed toy isn't just any other gift. It's a personification of one's love. Gift it to a child and it becomes their best friend and confidante. Gift it to someone you love and it stands in for you when you can't be there.*

*Our Huggables collection includes stuffed toys in various forms. From the all-time favourite bear to lovable alligators, cute monkeys and a smiling lion. No matter what a customer's need is, we have a Huggable to take care of it.*





And sometimes it sa

*gifts for him / her*


*occasions*

*greeting cards*


*kids world*

*relationships*







# ys, I'm just too lazy!



*Laziness is something everyone openly renounces and secretly practices. We all love evenings spent in front of the TV on the couch or those holidays when we have nothing to do but laze around. We know how much they mean to our customers. And we put in all the effort we can to bring them amazing archies products even when they are exercising their right to being lazy, by constantly working on our website.*



*Our online presence has grown by leaps and bounds over the past year. The traffic and transactions carried out have grown significantly. We have also added substantially to the number of products we offer online. Our backend support has grown stronger and we are now delivering in more cities across India by tying up with local courier services and logistics providers.*







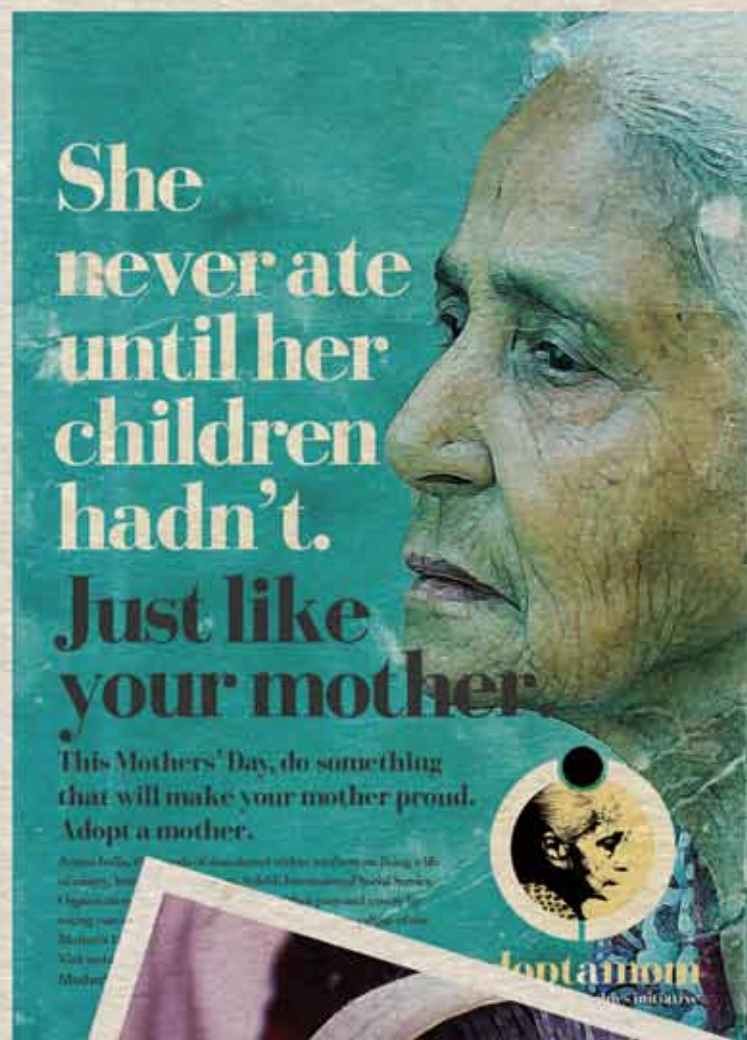
ays,  
her  
ren.  
like  
mother.

ay, do something  
our mother proud.




**adoptamom**  
An archives initiative

Philanthropy partner



She  
never ate  
until her  
children  
hadn't.  
Just like  
your mother.

This Mothers' Day, do something  
that will make your mother proud.  
Adopt a mother.



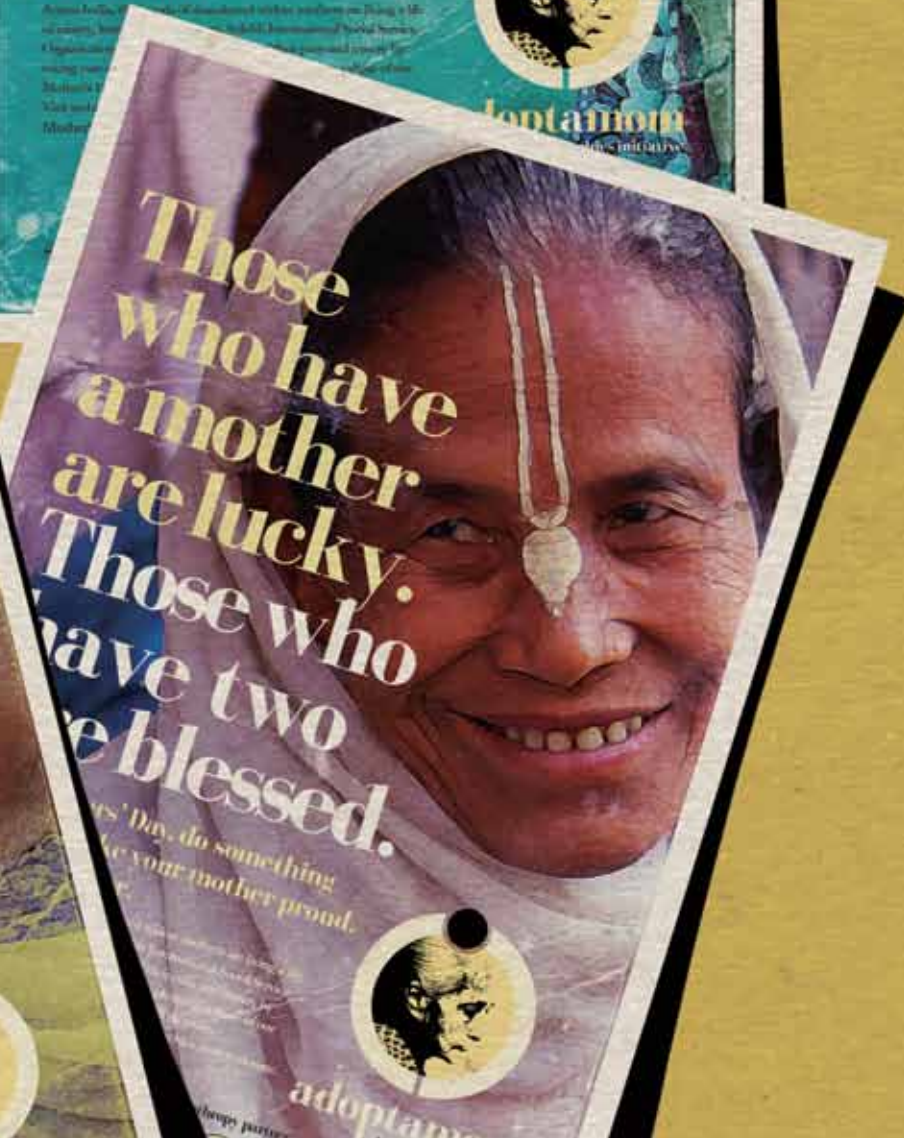
**adoptamom**  
An archives initiative



e's  
mother too.  
Make this  
Mother's Day  
happy for




**adoptamom**  
An archives initiative



Those  
who have  
a mother  
are lucky.  
Those who  
have two  
are blessed.

This Mothers' Day, do something  
that will make your mother proud.



**adoptamom**  
An archives initiative





**adoptamom**  
Anarchies Initiative

# *And sometimes it says, I care.*

*Much is wrong with the world we live in. There are countless wars being fought, natural disasters occurring with alarming frequency and widespread poverty. But in spite of all that's wrong, what keeps the world going is human kindness; the voice within all of us that exhorts us to help a fellow human in need.*

*For Mother's Day this year, we chose to do something more than conventional advertising. We chose to make a difference. Through the Adopt a Mom initiative, we brought the plight of the widow mothers in various temple towns across India to the front. A 2-minute film depicted a day in the life of one such widow mother. The film was viewed over 300,000 times and was covered by various websites and publications. Through donations from customers and by pledging a part of our own Mother's Day sales, we were able to donate to Sulabh International Social Service Organisation to help them take care of the widow mothers.*

# Year At A Glance

(₹. in Lacs)

S. No.	Particulars	2014-2015	2013-2014	2012-2013
1.	TOTAL TURNOVER	19568.80	19629.55	20127.74
2.	OTHER INCOME	166.14	93.04	23.93
3.	TOTAL EXPENDITURE	18283.71	18264.84	18494.33
4.	PROFIT BEFORE DEPRECIATION, INTEREST AND TAX (PBDIT)	1451.23	1457.75	1657.34
5.	PBDIT AS A % OF TOTAL TURNOVER	7.42	7.43	8.23
6.	INTEREST	179.54	177.29	118.97
7.	DEPRECIATION	639.77	510.45	487.49
8.	PROFIT BEFORE TAX (PBT)	631.92	770.01	1050.88
9.	PBT AS A % OF TOTAL TURNOVER	3.23	3.92	5.22
10.	EXTRAORDINARY ITEM	0.00	0.00	0.00
11.	PROFIT BEFORE TAX AFTER EXTRAORDINARY ITEM	631.92	770.01	1050.88
12.	PROVISION FOR TAXATION	219.68	245.77	350.13
13.	PROFIT AFTER TAX (PAT)	412.24	524.24	700.75
14.	PAT AS A % OF TOTAL TURNOVER	2.11	2.67	3.48
15.	PAID UP EQUITY SHARE CAPITAL	675.62	675.62	675.62
16.	RESERVES (EXCLUDING REVALUATION RESERVES)	10129.85	10744.64	10395.34
17.	NET WORTH	10805.47	11420.26	11070.96
18.	EARNING PER SHARE OF FACE VALUE ₹ 2 (IN ₹)	1.22	1.55	2.07
19.	BOOK VALUE PER SHARE OF FACE VALUE ₹ 2 (IN ₹)	31.99	33.81	32.77
20.	DIVIDEND (%)	15	20	20
21.	AMOUNT OF DIVIDEND	101.34	135.12	135.12
22.	RETURN ON AVERAGE NET WORTH (%)	3.71	4.66	6.49
23.	RETURN ON AVERAGE CAPITAL EMPLOYED (%)	6.83	7.94	10.19

## ARCHIES LIMITED

CIN: L36999HR1990PLC041175

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

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

Website : www.archiesonline.com / Email id : pankaj.kamra@archiesonline.com

### NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the members of Archies Limited will be held at Manesar Club, Sector 5, IMT Manesar Gurgaon Haryana 122050, on Monday, the 28th day of September, 2015 at 11.00 A.M to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2015 and Statement of Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and the Directors thereon.
2. To declare dividend @ 15% equivalent to Rs 0.30/- per equity share of Face value of Rs. 2/- each for the financial year 2014-15.
3. To appoint a Director in place Mr. Dilip Seth (DIN-06640936), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution :-

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Uberoi Sood & Kapoor, Chartered Accountants, New Delhi as the Auditors of the Company to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors."

#### SPECIAL BUSINESS

##### 5. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. V D Rupani & Co, Chartered Accountants, as the Branch Auditors of the Mumbai, Pune & Goa Branches and to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

##### 6. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with Section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Sanjiv Shah & Associates, Chartered Accountants, as the Branch Auditors of the Chennai Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

##### 7. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with Section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Mehul V Chalishajar & Co, Chartered Accountants, as the Branch Auditors of the Ahmedabad Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.



**8. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Rajesh Chowdhury & Associates, Chartered Accountants, as the Branch Auditors of the Kolkata & Bhubneshwar Branches to hold office till the conclusion 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

**9. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Rajesh Adityaraj & Co, Chartered Accountants, as the Branch Auditors of the Indore Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**10. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. S Vijaykumar, Chartered Accountants, as the Branch Auditors of the Bangalore Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**11. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Ashok Shashi & Co, Chartered Accountants, as the Branch Auditors of the Ludhiana Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**12. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Pramod G Gupta & Associates, Chartered Accountants, as the Branch Auditors of the Chandigarh Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**13. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Suryanarayana & Suresh, Chartered Accountants, as the Branch Auditors of the Hyderabad Branch to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**14. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 23rd September, 2014, the appointment of M/s. Shetty & Thomas, Chartered Accountants, as the Branch Auditors of the Kochi Branch and to hold office till the conclusion of 27th AGM be and is hereby ratified and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch auditors.

**15. PAYMENT OF MINIMUM REMUNERATION TO MR. ANIL MOOLCHANDANI, CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other necessary approvals, consents or permissions, as may be required, the consent of the Members of the Company be and is hereby accorded to pay minimum remuneration as per Schedule V of the Act to Mr. Anil Moolchandani, Chairman and Managing Director of the Company for any financial year, in which there is inadequacy or absence of profits, during the period commencing from April 1, 2014 till the expiry of his term as Chairman and Managing Director i.e. June 30, 2016.

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts, deeds, matters and things as it may, in its absolute discretion, deem desirable, necessary, expedient, usual or proper to give effect to this resolution."

By Order of the Board

Place : New Delhi  
Date : July 31, 2015

Pankaj Kamra  
Company Secretary

**NOTES:-**

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF IN THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxy, in order to be effective, must be deposited at the Corporate Office of the Company, C-113, Naraina Industrial Area, Phase-I, New Delhi-110 028 or its Registrar and Share Transfer Agent M/s Link Intime India (Private) Limited 44, Community Centre, 2nd Floor, Naraina Industrial area Phase-I, New Delhi-110028 not less than **forty eight** hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2015 to 28th September, 2015 (both days inclusive) in connection with the AGM and for the purpose of Dividend.
5. Dividend @ Rs 0.30/- per share (15%) for the year ended 31st March, 2015 as recommended by the Board if declared at AGM will be payable to those members whose name appears in the Company's Register of Members at the close of business hours on 21st September, 2015.
6. Members holding shares in physical form are advised to notify to the Registrar and Share Transfer Agent of the company of any change in their addresses immediately.
7. Members holding shares in De-mat form are advised to notify to their respective Depository Participant of any changes in their addresses and particulars of their bank accounts immediately.
8. Members who are yet to register their email addresses with the Company or with the Depository are once again requested to register the same. The form for registration of email addresses with Company can be downloaded from the Company's website [www.archiesonline.com](http://www.archiesonline.com).
9. Members/Proxies are requested to produce the attendance slip, duly completed and signed, for admission to the meeting hall.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013, any dividend, which remains unpaid or unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund.  
Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our Registrar and Share Transfer Agent.  
Members are advised that once the unclaimed dividend is transferred to the above fund, no claim shall lie from the company in respect thereof.
11. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website [www.archiesonline.com](http://www.archiesonline.com).
12. Pursuant to the requirements on Corporate Governance under clause 49 of the Listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed / re-appointed are furnished and forms a part of this Notice.

**13. VOTING PROCESS****VOTING THROUGH ELECTRONIC MEANS**

- I. In terms of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed M/s P B & Associates as the Scrutinizer for this purpose.
- II. That the facility for voting, through Ballot paper shall also be made available at the meeting & members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
- III. That the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

#### IV. E-Voting Instructions

The instructions for members for voting electronically are as under:-

- (i) The voting period begins at 9.00 A.M. on 25th September, 2015 and ends on 5.00 P.M. on 27th September, 2015. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

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

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Archies Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.



(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non-Individual Shareholders & Custodian

- Non-Individuals, (i.e other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin log-in and password. The compliance user would be able to link the account(s), for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Any person, who acquires share of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 21st September, 2015 may obtain the login ID and password for casting your vote. However if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. and follow the instructions as mentioned above for e-voting.

- V. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- VI. The voting rights of the members shall be proportion to their share of the paid up Equity share capital of the Company as on cut off date 21st September, 2015.
- VII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting through Ballot Paper.
- VIII. The Chairman, shall at the Annual General Meeting, at the end of discussion on the Resolutions on which voting is to held, allow voting, with the assistance of scrutinizer, by use of "ballot paper" or "Polling paper" for all those members who are present at the annual general meeting but have not cast their votes by availing the remote e-voting facility.
- IX. The Results along with the Scrutinizer's Report shall be placed on the Company's website [www.archiesonline.com](http://www.archiesonline.com) and on the website of CDSL within three days from the AGM of the Company and communicated to the Stock Exchanges.

#### 14. DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AS PER CLAUSE 49 OF LISTING AGREEMENT :-

Name of Director	Mr. Dilip Seth
Age	48 years
Expertise In Specific functional areas	Over 24 years' of experience in field of Finance, Taxation & Accounts.
Qualifications	FCA
List of other Companies in which Directorships held	Nil
Chairman / Member of committees of the Board of other Companies in Which he is a director	Nil

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

### Item No. 5-14

The shareholders of the company at the Annual General Meeting held on 23rd September, 2014 approved the re-appointment of the Branch Auditors for audit of the accounts of the Company's branch offices at Mumbai, Pune, Goa, Chennai, Ahmedabad, Kolkata, Bhubneshwar, Indore, Bangalore, Ludhiana, Chandigarh, Hyderabad & Kochi till the conclusion of 27th AGM (subject to ratification of the appointment by the members at every AGM). Hence it is desirable to re-appoint Branch auditors in the Item No 5-14 for audit of the accounts of respective branches of the Company at a remuneration as may be decided by the Board of Directors of the Company.

Your directors recommend passing of the above resolutions.

None of the Directors, Key Managerial personnel and their relatives is interested or have any concern in the resolution.

### Item No. 15

The shareholders of the company at the Annual General Meeting held on 30th September, 2011 had re-appointed Mr. Anil Moolchandani as Chairman Cum Managing Director of the Company for a period of 5 years w.e.f July 01, 2011 with term valid upto June 30, 2016.

In accordance with Schedule XIII of the Companies Act, 1956, the shareholders of the Company at the Annual General Meeting held on 30th September, 2011 had approved the payment of remuneration approved by them as the minimum remuneration, payable in case of inadequacy of profits or no profits, for a period of 3 years w.e.f July 01, 2011. The said shareholder's approval for payment of minimum remuneration to Mr. Anil Moolchandani in case of inadequacy of profits or no profits expired on June 30, 2014.

The Companies Act, 2013 specifies the revised limits for remuneration, which can be paid to the managerial personnel of the Company in case of inadequacy of profits or no profits. In view of expiry of the shareholder's resolution for payment of minimum remuneration expired on June 30, 2014, it is proposed to obtain a fresh approval from the shareholder's for payment of minimum remuneration as mentioned hereunder, to Mr. Anil Moolchandani, from April 1, 2014 till the expiry of his term as Chairman Cum Managing Director i.e. June 30, 2016.

The remuneration as set out below was approved by the Nomination and Remuneration Committee and the Board of Directors at their meeting held on July 31, 2015.

#### Minimum Remuneration:

1. Remuneration payable not exceeding the limit prescribed under Section II of Part II of Schedule V of the Companies Act 2013.
2. Contributions to Provident Fund, Superannuation Fund or Annuity Fund to the extent singly or taken together are not taxable under the Income Tax Act, 1961;
3. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
4. Encashment of Leave at the end of the tenure.

All other terms and conditions of the existing appointment shall remain unchanged.

The information required to be given as per paragraph under section II of Part II of Schedule V of the Companies Act, 2013 is given below.

#### I. General Information :

- |  |                              |
|--|------------------------------|
| (1) Nature of Industry   | : Social Expression Industry |
| (2) Date or expected date of Commencement of commercial production.  | : March, 1979                |
| (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | : Not Applicable             |
| (4) Financial performance based on given indications   |                              |

Particulars	(Rs. in Lacs)		
	Financial Year		
	2014-15	2013-14	2012-13
Total Turnover	19568.80	19629.55	20127.74
Profit before tax	631.92	770.01	1050.88
Profit after tax	412.24	524.24	700.75

- (5) Export performance and net foreign exchange collaborations.

The company has foreign exchange earning of ₹ 264.57 lacs during the year 2014-15 from exports

- (6) Foreign investments or collaborations, if any.

: NIL

## II. INFORMATION ABOUT THE APPOINTEES

### 1. Background Details

Mr. Anil Moolchandani is the Chairman and Managing Director of the Company and one of the promoters of the Company.

He has been associated with the Company since inception and under his dynamic leadership the Company has risen from a small beginning to the position of being a market leader in its business segment.

### 2. Past Remuneration (For the last three Financial Years) (Rs. In Lacs)

Names	2014-15	2013-14	2012-13
Mr. Anil Moolchandani	36.81	36.15	36.24

### 3. Recognition or awards

Mr. Anil Moolchandani is well recognized in business circles for his leadership, vision, and entrepreneurial skills.

### 4. Job Profile and his suitability

Mr. Anil Moolchandani, Chairman and Managing Director has been entrusted with the substantial powers of the management of the company and also plays a major role in providing thought leadership and strategic inputs of the Company.

### 5. Remuneration Proposed

In case of inadequacy of profits, minimum remuneration as stated hereinabove.

### 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin.)

The aforesaid proposed remuneration is in line with the prevailing remuneration being paid to the managerial position in other companies.

### 7. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any.

Mr. Anil Moolchandani is holding more than 20% of the equity share capital of the Company. In addition to above his relatives are also holding shares in the Company. Company has also entered into related party transaction for sale, purchase of goods from proprietorship concern in which he is interested. Accordingly he may be deemed having pecuniary relation, directly or indirectly with the Company.

## III. OTHER INFORMATION:

### 1. Reasons of loss or inadequacy of profit

The performance of the Company in the last two financial years has been impacted due to slowdown in global and Indian economies. The situation has aggravated further due to short-term downtrend in the retail industry.

### 2. Step taken or proposed to be taken for improvement

The Company will remain committed to generate superior returns for its stakeholders and also focus has been placed on promotion and marketing of products so as to increase the turnover of the Company.

### 3. Expected increase in productivity and profits in measurable terms

Looking at the past performance and collective efforts being made during the year, the Company is expecting increase in the turnover and improvement in the profits during the year 2015-16.

Further the company has entered into the alternate selling channel for its stationery products. There is a big market and opportunity available to boost sales in the coming years through this route. Earlier the channel for selling stationery products was only through gifts stores and gallery.

The payment of remuneration to Mr. Anil Moolchandani as stated above is subject to the approval of the Members.

Except Mr. Anil Moolchandani and his relatives, none of the Directors and key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution

The Board recommends the resolution set forth in item no. 15 for approval.

By Order of the Board

Place : New Delhi  
Date : July 31, 2015

Pankaj Kamra  
Company Secretary



## DIRECTORS REPORT

To The Members,

Your Directors have great pleasure in presenting twenty fifth annual report of the company together with the audited annual accounts for the year ended 31st March 2015.

## PERFORMANCE REVIEW

During the year under review your Company recorded a turnover of ₹ 19568.80 Lacs as compared to ₹ 19629.55 Lacs in the previous year, down by 0.31%. The net profit for the same period stands at ₹ 412.24 Lacs as compared to net profit of ₹ 524.24 Lacs in the previous year. In the challenging market scenario there has been slight dip in the Sales and the Profitability of the Company. The Turnover of the Company constitutes of:

- The Turnover of the gift segment is ₹ 12172.28 Lacs as compared to ₹ 12343.93 lacs previous year, down by 1.39%.
- The Turnover of the greeting card segment is ₹ 4207.05 Lacs as compared to ₹ 4553.80 lacs previous year, down by 7.61%.
- The stationery sale is ₹ 3051.73 Lacs as compared to ₹ 2599.86 Lacs in the previous year, up by 17.38%.

The Company owned / managed stores have significantly contributed towards turnover and the profits.

## FINANCIAL HIGHLIGHTS

### FOR THE YEAR ENDED

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
Income from Operations	19568.80	19629.55
Other Income	166.14	93.04
Total Expenditure	18166.53	18164.36
Operating profit (PBDIT)	1568.41	1558.23
Interest & finance charge	296.72	277.77
Depreciation	639.77	510.45
Profit before Tax (PBT)	631.92	770.01
Provision for taxation		
Current	218.02	222.62
Deferred	1.66	23.15
Profit After Tax	412.24	524.24
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	100.00	150.00
Final Dividend (Proposed)	101.34	135.12
Tax on Proposed Dividend	20.26	22.96
Provision For Corporate Social Responsibility Activities	21.41	0.00
Profit Carried Forward	169.23	216.16

## DIVIDEND

Board of Directors recommended dividend of 15% equivalent to ₹ 0.30/- on each fully paid-up equity share of ₹ 2/- for the year ended 31st March, 2015. The dividend will entail an outflow of ₹ 101.34 Lacs excluding taxes. The dividend, in the opinion of the board represents a prudent balance between the need for the company to reward its shareholders as well as the need to plough back the profits for the Company's own requirements.

## 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. As on 31st March 2015 the numbers of Company owned/managed stores were 237.

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, Groupon India, Saffron Art Pvt. Ltd., Gift A love.com, Phoolwala.com, My flower tree, Shopclues, Indian Gifts Portal, Fern N Petals & Bookaflower.com

Your Company will continue with its efforts to open new outlets across india. With expectation of improvement in economy, your Company has plans to open 25 more stores including Archies & Hallmark Stores during the year 2015-16.

## CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, 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 this report.

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

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts for the year ended 31st March 2015, 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, 2015 and of the profit of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the annual accounts have been prepared on a going concern basis;
- (v) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013, atleast 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 director is eligible for re-election. Accordingly, Mr. Dilip Seth retires by rotation and being eligible, has offered to be re-appointed at the ensuing Annual General Meeting.

During the year under review, the Company appointed Mr. Sunil Behl, Mr. Prem kumar Chadha and Mr. Arun Singhal as Independent Directors of the Company for a period of five consecutive years and Mr. Deepak Thakkar as Non Independent Director of the Company for a period of two years.

In terms of Section 149 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, the Company is required to have a woman director on its board.

Dr. Bhavna Chadha was appointed as Independent Director of the Company pursuant to Section 149 of the Companies Act, 2013 for a period of two years.

Mr. Pramod Arora Jt. Managing Director, did not offer himself for re-appointment as director, retired at the previous Annual General Meeting held on 23rd September 2014.

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 Clause -49 of Listing Agreement with the Stock Exchanges.

### KEY MANAGERIAL PERSONNEL

The details of the Key Managerial personnel are as under:

S. No.	Name	Designation
1	Mr. Anil Moolchandani	Chairman and Managing Director
2	Mr. Dilip Seth	Director (Finance) & CFO
3	Mr. Vijayant Chhabra (resigned from directorship w.e.f 16.05.2014 and appointed as Chief Executive Officer w.e.f 16.05.2014)	Chief Executive Officer
4	Mr. Pramod Arora (retires at the Annual General Meeting held on 23rd September, 2014)	Jt. Managing Director
5	Mr. Vikas Kumar Tak (resigned from the post of Company Secretary w.e.f 20.05.2015)	Company Secretary
6	Mr. Pankaj Kamra (appointed as Company Secretary w.e.f 20.05.2015)	Company Secretary

## **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the Listing agreement, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committee and Individual Directors, including Independent Directors.

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

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

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

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

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

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

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

The details of the number of meetings of the Board held during the Financial Year 2014-15 forms part of the Corporate Governance Report.

## **AUDITORS**

M/s. Uberoi Sood and Kapoor, Chartered Accountants, the Statutory Auditors of the company hold office up to the forthcoming Annual General Meeting of the company and are eligible for re-appointment and have confirmed their eligibility and willingness to accept the office of the auditors, if re-appointed.

The Company has received letter from them that their re-appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for re-appointment.

The Board of Directors have recommended to appoint M/s. Uberoi Sood and Kapoor, Chartered Accountants, the Statutory Auditors of the Company to audit the accounts of the Company for the financial year 2015-16.

The Notes on Financial Statements referred to in the Auditor's Report are self explanatory and do not call for any further comments. The Auditors' Report does not contain any 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**

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## **RISK MANAGEMENT**

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

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

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

## **EXTRACT OF ANNUAL RETURN**

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



## SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. Dayal & Maur, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 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 salary more than ₹ 5,00,000/- per month or ₹ 60,00,000/- in a year as required under 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.

## NOMINATION AND REMUNERATION POLICY

The Board of Directors have constituted Nomination and Remuneration Committee pursuant to Clause 49 of the Listing Agreement comprising Mr. Sunil Behl (Chairperson), Mr. Prem Kumar Chadha 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.

## 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 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>

During the year, the Company has spent ₹ 7,00,000/- on CSR activities and the balance unspent amount of ₹ 14,41,497 will be spent in the financial year 2015-16 due to reason that the Company was in the process of selecting suitable projects for CSR. The Annual Report on CSR activities is annexed herewith as Annexure - F.

## WHISTLE BLOWER POLICY

The Board at its meeting held on 16th May 2014, adopted a Whistle Blower Policy in accordance with the provisions of the Companies Act 2013 and as per the revised Clause 49 of the Listing Agreement, 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 behaviour, 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, 2015 comprises Independent Directors namely Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha. 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 party transactions and dealing with related party transactions as approved by the Board is available on our website at the link, <http://www.archiesonline.com/htdocs/transactionPolicy.pdf>.

Your Directors draw attention of the members to Note 34 to the financial statement which sets out related party disclosures.

**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.

**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**

**Place : Delhi**  
**Date : 05 August, 2015**

**Anil Moolchandani**  
**Chairman-cum-Managing Director**

## 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 and in the existing stores LED lights are being replaced in phased manner.
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.

### 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 world major American Greetings Inc. and Hallmark Cards Inc (which are incidentally 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:  
  - (a) Technology imported  
Not Applicable
  - (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 and Philippines. Plans are also underway to take active participation in exhibitions and fairs to reach new markets and thus enhancing sales.

b) Total foreign exchange used and earned	FOR THE YEAR ENDED	
	31st March 2015	31st March 2014
	(₹ in lacs)	
(A) Total Foreign Exchange Earned	264.57	340.29
(B) Total Foreign Exchange Used	3783.77	2922.92



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

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31st March, 2015

[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	<b>LINK INTIME INDIA (PRIVATE) LIMITED</b> 44, Community Centre, IIInd Floor, Naraina Industrial Area, Phase-I, New Delhi-110028 <b>Contact Person</b> Mr. Swapan Kumar Tel : 011-41410592

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1.	Manufacture of Paper and Paper Products	170	21.53%
2.	Retail Sale of other Goods in Specialized Stores	477	77.93%

**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				
2.					
3.					

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)****i. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	20854600	0	20854600	61.74	20454600	0	20454600	60.55	(1.19)
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1):</b>	20854600	0	20854600	61.74	20454600	0	20454600	60.55	(1.19)

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (a) (2)</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	20854600	0	20854600	61.74	20454600	0	20454600	60.55	(1.19)
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	500	0	500	0.00	145478	0	145478	0.43	0.43
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	75000	0	75000	0.22	75000	0	75000	0.22	0.00
g) FIs	500	1500	2000	0.01	500	1500	2000	0.01	0.00
h) Foreign Venture Capital	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	76000	1500	77500	0.23	220978	1500	222478	0.66	0.43
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i. Indian	2123055	13505	2136560	6.32	2423286	13505	2436791	7.21	0.89
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9013812	326565	9340377	27.65	8800482	321077	9121559	27.00	(0.65)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	834709	0	834709	2.47	654838	0	654838	1.94	(0.53)
<b>c) OTHERS (specify)</b>									
<b>Trusts</b>	2000	0	2000	0.01	2000	0	2000	0.01	0.00
<b>Directors &amp; their Relatives</b>	32250	0	32250	0.09	7875	0	7875	0.02	(0.07)

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2014)				No. of Shares held at the end of the year (As on March 31, 2015)				% Change during the year
	Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
<b>Non Resident Indians</b>	178009	500	178509	0.53	153345	500	153845	0.46	(0.07)
<b>Clearing Members</b>	323495	0	323495	0.96	508179	0	508179	1.51	0.55
<b>Foreign Portfolio Investor (Corporate)</b>	0	0	0	0.00	217835	0	217835	0.64	0.64
<b>Sub-total (B)(2):-</b>	12507330	340570	12847900	38.03	12767840	335082	13102922	38.79	0.76
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	12583330	342070	12925400	38.26	12988818	336582	13325400	39.45	1.19
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	33437930	342070	33780000	100	33443418	336582	33780000	100	0.00

## ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / Encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of shares Pledged / Encumbered to total Shares	% Change in Share Holding During the Year
1.	Mr. Anil Moolchandani	6793900	20.11	0.00	6793900	20.11	0.00	0.00
2.	Mr. Jagdish Moolchandani	4253230	12.59	0.00	4253230	12.59	0.00	0.00
3.	Mrs. Pushpa Moolchandani	2964250	8.78	0.00	2964250	8.78	0.00	0.00
4.	Mr. Varun Moolchandani	2030750	6.01	0.00	1630750	4.82	0.00	(1.19)
5.	Mr. Karan Moolchandani	1852000	5.48	0.00	1852000	5.48	0.00	0.00
6.	Mr. Raghav Moolchandani	1808120	5.35	0.00	1808120	5.35	0.00	0.00
7.	Mrs. Neeru Moolchandani	1005000	2.98	0.00	1005000	2.98	0.00	0.00
8.	Mrs. Mansi M Chandok	147350	0.44	0.00	147350	0.44	0.00	0.00
	<b>Total</b>	<b>20854600</b>	<b>61.74</b>	<b>0.00</b>	<b>20454600</b>	<b>60.55</b>	<b>0.00</b>	<b>(1.19)</b>

## iii. Change In Promoters' Shareholding ( Please Specify, If There Is No Change)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Mr. Varun Moolchandani				
	At the Beginning of the year	2030750	6.01	2030750	6.01
	Sale of Shares 140000 Shares on 02.12.2014			1890750	5.60
	Sale of Shares 2,60,000 Shares on 03.12.2014			1630750	4.82
	Reason for decrease	Decrease in share from 2030750 equity shares to 1630750 equity shares due to sale of shares			
	At the End of the year			1630750	4.82



**iv. Shareholding pattern of top ten Shareholders (other than directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares the Company
1	Gaurav Manocha	178000	0.53	178000	0.53
2	Sudhir Chukkapalli	145000	0.43	0	0.00
3	Meenakshi Aggarwal	117596	0.35	0	0.00
4	Ajay Bhalla	94000	0.28	5000	0.01
5	Jeevan Aggarwal	74155	0.22	0	0.00
6	Sharda Goyal	62332	0.18	82346	0.24
7	Sapna Kayan	60000	0.18	0	0.00
8	Manish Kumar Jain	52875	0.16	0	0.00
9	K M Shylaja	50751	0.15	0	0.00
10	Vinay Rao K	50000	0.15	50000	0.15

**v. Shareholding of Directors and key Managerial Personnel:**

Sl. No.	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 To 31-03-2015)	
		No. of Shares at the beginning (01-04-14)/at the end of the year (31-03-2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
A	<b>DIRECTORS</b>							
1	Mr. Anil Moolchandani Chairman and Managing Director	6793900	20.11	01-Apr-14	0	NIL movement during the year		
		6793900	20.11	31-Mar-15			6793900	20.11
2	Mr. Dilip Seth Director (Finance) & CFO	5375	0.015	01-Apr-14	0	Nil movement during the year		
		5375	0.015	31-Mar-15			5375	0.015
3	Mr. Pramod Arora Jt. Managing Director (Ceased to be director on 23-09-2014)	5000	0.014	01-Apr-14				
					(4900)	Sale of shares		
		100	0.00	23-Sep-14			100	0.00
4	Mr. Vijayant Chhabra Executive Director (Ceased to be director on 16-05-2014)	19375	0.057	01-Apr-14	0	Nil movement during the year		
		19375	0.057	16-May-14			19375	0.057
5	Mr. Sunil Behl Independent Director	1000	0.002	01-Apr-14	0	Nil movement during the year		
		1000	0.002	31-Mar-15			1000	0.002

Sl. No.	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding during the year (01-04-14 To 31-03-2015)	
		No. of Shares at the beginning (01-04-14)/at the end of the year (31-03-2015)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
B	<b>KEY MANAGERIAL PERSONNEL</b>							
1	Mr. Vijayant Chhabra Chief Executive Officer (Appointed as Chief Executive Officer on 16-05-2014)	19375	0.057	16-May-14				
					(9500)	Sale of shares		
		9875	0.029	31-Mar-15			9875	0.029
2	Mr. Vikas Kumar Tak Company Secretary	0		01-Apr-14				
					10	Purchase of Shares		
		10	0.00	31-Mar-15			10	0.00

## V. INDEBTEDNESS

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

(In ₹)

Particulars	Secured Loans	Unsecured	Deposits	Total Indebtedness Loans
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	86866409.72	-	-	86866409.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	276330.00	-	-	276330.00
<b>Total (i + ii + iii)</b>	87142739.72	-	-	87142739.72
<b>Change in Indebtedness during the financial year</b>				
• Addition, net	-	-	-	-
• Reduction, net	21202146.42	-	-	21202146.42
Net Change	(21202146.42)	-	-	(21202146.42)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	65940593.30	-	-	65940593.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i + ii + iii)</b>	65940593.30	-	-	65940593.30

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Anil Moolchandani Chairman & Managing Director	Mr. Dilip Seth Director (Finance) & CFO	Mr. Pramod Arora (ceased to be director on 23.09.2014)	Mr. Vijayant Chhabra (ceased to be director on 16.05.2014)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4600300.00	2428800.00	2798980.00	368175.00	10196255.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28800.00	21600.00	14400.00	3600.00	68400.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	4629100.00	2450400.00	2813380.00	371775.00	10264655.00

### B. Remuneration to other directors:

(In ₹)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Sunil Behl	Mr. Prem Kumar Chadha	Mr. Arun Singhal	Mr. Ajit Ganpatlal Shah (ceased to be director on 07.08.2014)	Dr. Bhavna Chadha (appointed as director on 07.08.2014)	Mr. Deepak Thakkar (appointed as director on 07.08.2014)	
1.	Independent Directors							
	• Fee for attending board /committee meeting	68,500	47,500	72,500	-	7,500	-	1,96,000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	68,500	47,500	72,500	-	7,500	-	1,96,000
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	-	-	-	-	-	22,500	22,500
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	22,500	22,500
	Total (B)=(1+2)	68,500	47,500	72,500	-	7,500	22,500	2,18,500



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

(In ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Vijayant Chhabra appointed as CEO w.e.f. 16.05.2014	Mr. Vikas Kumar Tak Company Secretary	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2601825.00	1185597.00	3787422.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	25200.00	32400.00	57600.00
	(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 • Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	2627025.00	1217997.00	3845022.00

**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 DIRECTORS' REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March 2015

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

To,

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

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

Based on our verification of **Archies Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **March 31, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Archies Limited for the financial year ended on **March 31, 2015** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment.

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) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange.
- (iii) Depositories Act, 1996

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

We further report that:

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

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

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

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

We further report that during the audit period the company has appointed a woman independent director at its Board Meeting held on 7th August, 2014.

for DAYAL & MAUR  
Company Secretaries

Place : New Delhi

Date : 30th July, 2015

SHAILESH DAYAL  
Partner  
FCS No. 4897  
CP No. 7142

## ANNEXURE 'D' TO THE DIRECTORS' REPORT

### NOMINATION AND REMUNERATION POLICY

Section 178 of the Companies Act, 2013 ("**Act**") requires the Nomination and Remuneration Committee ("**Committee**") to recommend a policy for nomination of Directors, KMP, SM who report to the board of directors ("**Board**") and remuneration of Directors, KMP, SM and other employees. This policy has been recommended by the Nomination and Remuneration Committee and adopted by the Board at its meeting held on 20th May, 2015. It will come into effect on 20th May, 2015 and supersedes the existing Compensation and Remuneration policy. The policy harmonises the requirements of the Companies Act, 2013 and the equity listing agreement entered into by the Company with the stock exchanges on which its shares are listed ("**Listing Agreement**"). 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:

- fulfil 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 Clause 49 of the Listing Agreement

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

#### 2.1 A KMP and SM should:

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

### 3. Diversity

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

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



#### **4. Tenure of Directors**

##### **4.1 Directors shall:**

- be liable to retire by rotation in accordance with the Act and the Articles of Association of the Company;
- not hold office as a director, including alternate directorship, in more than 20 companies at the same time, provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed 10; and
- A Director shall not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he is a director. Furthermore, every Director shall inform the Company about the committee positions he occupies in other companies and notify changes as and when they take place.

##### **4.2 A Managing Director or Whole-Time Director or Manager:**

- shall be appointed or re-appointed for a term not exceeding 5 years at a time;
- shall not be re-appointed 1 year before the expiry of his / her term; and
- shall retire at the age of 70 years unless his appointment is extended beyond 70 years of age by passing a special resolution of the shareholders in accordance with the Act.

##### **4.3 An Independent Director shall:**

- hold office for a term up to 5 consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report;
- notwithstanding the above, not hold office for more than 2 consecutive terms, but shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director, provided that during the said period of 3 years he is not appointed or associated with the Company in any other capacity either directly or indirectly. For appointment of an existing Independent Director, any tenure of the Independent Director on the date of the commencement of the Act shall not be counted for his appointment as Director under the Act;
- not serve as an independent director on the Board of more than 7 listed companies; or 3 listed companies in case such person is serving as a Whole-time Director of a listed Company in accordance with Clause 49 of the Listing Agreement; and not be liable to retire by rotation.

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

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

## 3. **Remuneration to Non-Executive Directors**

- The remuneration to be paid to the non-executive Directors shall be determined in accordance with the conditions laid down in the Articles of Association of the Company and as per the Act and Clause 49 of the Listing Agreement.
- 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 BOARD EVALUATION POLICY

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

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

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

### ARCHIES BOARD MEMBER SELF EVALUATION

Criteria		Yes	No
1	I attend the Board and Committee meetings and I arrive on time and stay until meetings conclude.		
2	I contribute to the discussion in a meaningful and helpful way, listening to others and making my points concisely.		
3	I avoid conflicts of interest and ask questions of the Board Chair or Executive Director if I am unsure if a conflict exists.		
4	I read the materials distributed before the Board meeting so I can constructively participate and make timely decisions.		
5	I work with the other Board members as a team, striving for consensus when it is called for.		
6	I work with the Executive Director in a way that creates an atmosphere of trust and cooperation.		
7	I communicate governance and ethical problems to the Board Chair and Executive Director.		



## ARCHIES Board Evaluation

### Performance Scale

**4 -Outstanding    3 - Good**

**2 -Adequate**

**1 -Needs improvement**

S. No.	Criteria	4	3	2	1
		Outstanding	Good	Adequate	Needs Improvement
1.	The Board engages in long-range strategic thinking and planning.				
2.	The Board stays abreast of issues and trends affecting the plan, using this information to assess and guide the organization over the long term.				
3.	The Board ensures that new Board members receive a prompt, thorough orientation.				
4.	Board meetings are conducted in a manner that ensures open communication, meaningful participation, and sound resolution of issues.				
5.	The Size and diversity of Board is appropriate.				
6.	Board members have the appropriate qualifications to meet the objectives of the board's charter, including appropriate financial literacy.				
7.	The Board meeting agendas are well-balanced, allowing appropriate time for the most critical issues.				
8.	Meetings are held with enough frequency to fulfill the board's duties and at least quarterly.				
9.	The board maintains adequate minutes of each meeting.				
10.	The Board and Committee meetings are of reasonable length.				
11.	The Committees are comprised of the right number and type of members.				
12.	The Committees report back to the Board as they should and do not exceed their authority.				
13.	The Board recognizes its policy-making role, and reconsiders and revises policies as necessary.				
14.	Board members actively participate on business and financial issues and provide guidance on long term sustainable goals.				
15.	The Board is consistent about being prepared for meetings and staying engaged.				
16.	The Board reviews annual budget				
17.	The Board brings discussions to a conclusion with clear direction to staff.				
18.	The Board is collegial and polite during meetings.				
	Total Score				

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

**Guiding Principles**

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

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

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

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

## Part II

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

- **Sitting Fee**

The Non-executive / Independent Directors of the Company shall be paid sitting fees not exceeding the amounts prescribed in the Companies (Appointment and Remuneration of Managerial Personnel) Rules under the Act.

- **Reimbursement of out-of-pocket expenses**

The Non-executive / Independent Directors shall be reimbursed for out of pocket expenses for attending the Board, Committee, shareholders and creditors meetings.

- **Letter of appointment**

The appointment of Independent Directors shall be formalised through a letter of appointment in compliance to the provisions of the Act and Clause 49 of the Listing Agreement 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. Anil Moolchandani			27.78:1
		Mr. Dilip Seth			18.87:1
		1. Sitting Fees paid to the Directors have not been considered as remuneration 2 Figures have been rounded off wherever necessary			
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. Anil Moolchandani - Chairman & Managing Director			2.00%
		Mr. Dilip Seth- Director (Finance) & CFO			*
		Mr. Vijayant Chhabra- Executive Director upto 16.05.2014 and was appointed as CEO w.e.f 16.05.2014			**
		Mr. Vikas Kumar Tak- Company Secretary			4.00%
		Mr. Pramod Arora- Jt. Managing Director			***
		* Details not given as Mr. Dilip Seth was a Director only part of the financial year 2013-14 i.e. w.e.f August 07, 2013 ** Details not given as Mr. Vijayant Chhabra was a Director only part of the financial year 2014-15 i.e. upto May 16, 2014 and was appointed as CEO w.e.f May 16, 2014 *** Details not given as Mr. Pramod Arora was a Director only for part of the financial year 2014-15 i.e. upto September 23, 2014			
3	The percentage increase in the median remuneration of employees in the financial year;	During Financial year 2015, there was an increase of 7% in the median remuneration of employees.			
4	The number of permanent employees on the rolls of company;	There was 1398 permanent employees on the rolls of the Company as on March 31, 2015.			
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 2014-15 as compared to 2013-14		0.31%
		b	% Decrease in PAT in 2014-15 as compared to 2013-14		21.36%
		C	% Decrease in EBITDA in 2014-15 as compared to 2013-14		0.45%
		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
		31.03.2015	Rs. 19.00	Rs. 64.18 Crores	Rs. 15.57
		31.03.2014	Rs. 16.85	Rs. 56.92 Crores	Rs. 10.87
Closing Share price as on 31st March 2015 was Rs. 19.00. Archie's offer price during its public issue in 1996 was Rs. 70. However these are not comparable as Archies has done stock splits and issued Bonus shares during the intervening period.					

S. No.	Requirements	Disclosure		
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification 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. 2014-15 was 4% whereas the increase in managerial remuneration was 3%.		
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	a	% Decrease in Net Sales in 2014-15 as compared to 2013-14	0.31%
		b	% Decrease in PAT in 2014-15 as compared to 2013-14	21.36%
		C	% Decrease in EBITDA in 2014-15 as compared to 2013-14	0.45%
		For comparison purpose the percentage increase in remuneration of KMP is given in Rule no. (2) above		
10	The key parameters for any variable component of remuneration availed by the directors;	Not Applicable		
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable		
12	Affirmation that the remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid during the year 2014-15 is as per the Remuneration policy of the Company		

**ANNEXURE 'F' TO THE DIRECTORS' REPORT**  
**ANNUAL REPORT DETAILS OF THE CSR ACTIVITY**

**CORPORATE SOCIAL RESPONSIBILITY**

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

S. No.	Particulars	Remarks
1.	A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	The CSR Policy was approved by the Board of Directors on 16th May, 2014 and has been uploaded on the company's website.  The Company spent ₹ 7,00,000/- towards Community Development during the year ending 31.03.2015.  During the current year company proposes to take up the cause of education and rural development.  The web link is <a href="http://www.archiesonline.com/htdocs/csr.pdf">http://www.archiesonline.com/htdocs/csr.pdf</a>
2	The Composition of the CSR Committee	The Composition of the CSR Committee Mr. Sunil Behl- Chairman Mr. Anil Moolchandani- Member Mr. Dilip Seth-Member
3	Average net profit of the company for last three financial year	₹ 107,074,870.20/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 21,41,497/-
5	Prescribed CSR Expenditure spent during the financial year 2014-15 a) Total amount to be spent for the financial year 2014-15 b) Amount unspent, if any	₹ 21,41,497/-  ₹ 14,41,497/-

**c) 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: 1) Direct expenditure on projects or programs 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent : Direct or through implementing agency
1.	Community Development	CL. (x) rural development projects	Odhisha-Bargarh	₹ 7,00,000/-	₹ 7,00,000/-	₹ 7,00,000/-	Implementing Agency- CRY-Child Rights And You

6. In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

The Company was in the process of selecting suitable projects for CSR.

7. 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 31, 2015  
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 31.03.2015 the Company is having 237 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.

### 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.

Your Company understands that different stores and areas have different needs, and a one-size-fits-all promotional strategy doesn't work. Your Company has initiated in-store promotion activity at various stores and has observed positive feedback and increasing footfalls.

Your Company has decided to revamped 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 and marketing affiliates to increase product visibility in the virtual space like Flipkart, Snapdeal, E-India Store, Groupon 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 had also entered into the alternate selling channel for its stationery products. There is a significant scope and opportunities available in the segment. Looking at the market size and Your Company's network, we believe the segment has potential for taking Your Company to next level. Hitherto, the channel for selling stationery products was limited to gifts stores and galleries.

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. While we are hopeful that we will be able to shape our future, yet we are alive to the threats that we face and are geared to overcome them. Technological changes like SMS, what's app, text messaging service pose a threat to our core product i.e. greeting cards. Observing the changing dynamics Your Company has already initiated various measures by focusing on other verticals to combat these developments.

### Risks and Concerns

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

### Product Wise Performance

The Turnover of the gift segment was ₹ 12172.28 lacs during the year under review as compared to ₹ 12343.93 lacs last year, down by 1.39%. The Gifts segment contributed about 62.31% of the total turnover during the current year as compared to 62.98% in the previous year.

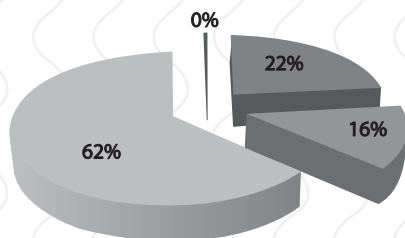
The Greeting Cards sale was ₹ 4207.05 lacs during the year under review as compared to ₹ 4553.80 lacs last year, down by 7.61%. The contribution of greeting cards sales to the total turnover now stands at 21.53% as compared to 23.23% in the previous year.

The stationery items sale was Rs 3051.73 Lacs during the year under review as compared to Rs 2599.86 Lacs during the Last Year up by 17.38%. The contribution of Stationery items sales to the total turnover stands about 15.62% as compared to 13.26% in the previous year.

### **Contribution of Segment in Total Sales**

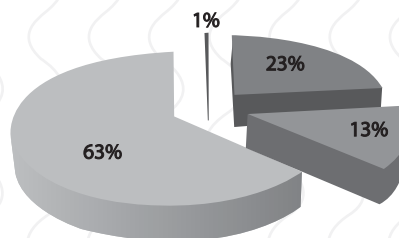
#### **YEAR-2015**

■ GREETING CARDS ■ STATIONERY ■ GIFTS ■ OTHERS



#### **YEAR-2014**

■ GREETING CARDS ■ STATIONERY ■ GIFTS ■ OTHERS



### **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. With tie up with American Greeting & Hallmark 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 segment. But during the year under review the Gift segment was down by 1.39 %.

The stationary segment has been continuously doing well and in the current year it has grown by 17.38%. 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 2 Hallmark stores and 20 Archies Gallery Stores during the year and the total no of Archies and Hallmark Stores opened by your Company in PAN India as on 31.03.2015 is 237.

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

### **Internal Control Systems and their Adequacy**

The Company has adequate Internal Control systems for business processes including components, packing material, trading goods, plants and machinery, equipments 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 a turnover of ₹ 19568.80 Lacs for the financial year 2014-15 as compared to Rs. 19629.55 Lacs in the previous year down by 0.31 %. The sale of gifts Segment was down by around by 1.39%, Greeting Cards segment sale was down by 7.61% and Stationery segment were up by 17.38%.

Inventory as on 31st March 2015 stands at ₹ 4,900.76 Lacs, as against ₹ 3,986.03 Lacs during previous year.

Debtors as on 31st March 2015 stand at ₹ 2179.11 Lacs as against ₹ 2112.10 Lacs 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, alike. Last year was no different. 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, 2015 the total employee strength of the Company stands at 1398.

## 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 institutionalise 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.

### 2. BOARD OF DIRECTORS

#### 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, 2015 is as follows:

Name of the Director	Category	*Other Directorships held	#Committee memberships/ chairmanship held in other Companies
Mr. Anil Moolchandani (Chairman-Cum-Managing-Director)	Promoter & Executive Director	Nil	Nil
Mr. Dilip Seth (Chief Financial Officer)	Executive Director	Nil	Nil
Mr. Arun Singhal	Non-Executive Independent Director	2	Nil
Mr. Prem Kumar Chadha	Non-Executive Independent Director	2	1
Mr. Sunil Behl	Non-Executive Independent Director	Nil	Nil
Mr. Deepak Thakkar©	Non-Executive Non-Independent Director	Nil	Nil
Dr. Bhavna Chadha©	Non-Executive Independent Director	Nil	Nil

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

© Mr. Deepak Thakkar was appointed as Non-Executive Director w.e.f. 07.08.2014 and Dr. Bhavna Chadha was appointed as Non-Executive Independent Director w.e.f. 07.08.2014.

# In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Stakeholder Relationship Committee have been considered.

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

The Board met Five times during the year under review. Meetings were held on 03rd April 2014, 16th May 2014, 07th August 2014, 10th November 2014 and 13th February 2015.

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 23/09/2014
Mr. Anil Moolchandani	5	Yes
Mr. Pramod Arora*	2	Not Applicable
Mr. Vijayant Chhabra**	1	Not Applicable
Mr. Dilip Seth	5	Yes
Mr. Arun Singhal	5	Yes
Mr. Sunil Behl	4	Yes
Mr. Prem Kumar Chadha	3	No
Mr. Deepak Thakkar	2	Yes
Dr. Bhavna Chadha	1	Yes

\* -Mr. Pramod Arora retired at the Annual General Meeting held on 23rd September, 2014 and ceases to be director w.e.f. 23.09.2014

\*\* -Mr. Vijayant Chhabra resigned from the Board w.e.f. 16th May, 2014 and was appointed as CEO of the Company w.e.f. 16th May, 2014.

## 3. BOARD COMMITTEES

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

#### Details of Audit Committee :

Board Committees	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholders Relationship Committee
Meeting Held	4	3	1	1
Directors' Attendance				
Mr. Anil Moolchandani	N.A.	N.A.	1	1
Mr. Dilip Seth	N.A.	N.A.	1	1
Mr. Sunil Behl	4	3	1	N.A.
Mr. Arun Singhal	4	3	N.A.	1
Mr. Prem Kumar Chadha	3	2	N.A.	N.A.
Mr. Deepak Thakkar	N.A.	N.A.	N.A.	N.A.
Dr. Bhavna Chadha	N.A.	N.A.	N.A.	N.A.

N.A. - Not a member of the Committee

## A. AUDIT COMMITTEE

The Company has constituted an Audit Committee comprising of three non-executive independent Directors, in accordance with the provisions of clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

Members of the Audit Committee possess financial/accounting expertise/exposure

## I. COMPOSITION OF AUDIT COMMITTEE

COMPOSITION	CATEGORY
Mr. Sunil Behl (Chairman)	Non Executive Independent Director
Mr. Arun Singhal	Non Executive Independent Director
Mr. Prem Kumar Chadha	Non Executive Independent Director

The Company Secretary acted as Secretary to the Committee.

## II. TERMS OF REFERENCE

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing with the management, the annual and periodical financial statements before submission to the Board, focusing primarily on:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - Any changes in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Compliance with the Accounting Standards.
  - Disclosure of any related party transaction.
  - Qualifications in the draft audit report.
  - The going concern assumption.
- 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.
- Reviewing and monitor the auditors independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertaking or assets of the company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory and internal auditors, 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 weakness issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

### III. MEETING DETAILS DURING THE YEAR

During the financial 2014-15, four audit committee meetings were held on 16th May, 2014, 07th August 2014, 10th November, 2014 and 13th February, 2015.

## B. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS

### I COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

COMPOSITION	CATEGORY
Mr. Sunil Behl (Chairman)	Non Executive Independent Director
Mr. Arun Singhal	Non Executive Independent Director
Mr. Prem Kumar Chadha	Non Executive Independent Director

### 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

### III. MEETING DETAILS DURING THE YEAR

In the Financial year 2014-15, three meeting of the Nomination & Remuneration Committee was held on 16th May, 2014, 7th August, 2014 and 24th March, 2015.

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

## Directors' Remuneration

### Remuneration policy

The Company 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 2014-2015 :

#### Executive Directors

(₹)

Particulars	Mr. Anil Moolchandani Chairman-cum- Managing Director	Mr. Pramod Arora Joint Managing Director (Upto 23rd September, 2014)	Mr. Vijayant Chhabra Executive Director (Upto 16th May 2014)	Mr. Dilip Seth (Director Finance & CFO)
Salary & Allowances	36,64,500	18,03,014	3,68,175	24,83,400
Contribution to Provident Fund	16,500	5,280	1,170	16,500
Total	36,81,000	18,08,294	3,69,345	24,99,900
Service Contract	Five Years w.e.f. 01/07/2011	Five Years w.e.f. 01/10/2009	Five Years w.e.f. 21/05/2009	Three Years w.e.f. 07/08/2013
Notice Period	Six months by either party	Six months by either party	Three months by either party	One month 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 2014-15 are given below :

Directors	Sitting Fees (₹)*
Mr. Sunil Behl	76,967
Mr. Arun Singhal	81,461
Mr. Prem Kumar Chadha	53,371
Mr. Deepak Thakkar	25,281
Dr. Bhavna Chadha	8,427
<b>Total</b>	<b>2,45,507</b>

\* - Including Service Tax

#### C. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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 is the Secretary of the Committee and the Compliance Officer

##### II. TERMS OF REFERENCE

The Committee is primarily responsible for addressing the investor complaints and grievances. The role of the Committee is in accordance with the Companies Act, 2013 & the listing agreement. It primarily includes:

- To look into complaints received from shareholders like transfer of shares, non-receipt of annual report, non-receipt of dividend or any other complaints.
- To look, consider & resolve the redressal of grievances of shareholders.
- One meeting of the Committee was held as on 31st March 2015.
- 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, 2015 is as under:

No. of Complaints opening	Nil
No. of Complaints received	16
No. of Complaints resolved	16
No. of Complaints pending	Nil

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee's primarily 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); and
- 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 13th February 2015.

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

## 4. GENERAL BODY MEETINGS

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

Date	Venue	Time	No of Special Resolutions passed
23rd September 2014	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	Seven
16th July 2013	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	No Special Resolution passed
27th September 2012	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	Four

### Special Resolution Passed Through Postal Ballot

No special resolution was passed through postal ballot during the Financial year ended 2014-15

## 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 processes of the company on 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 matter relating to capital markets during the last three years.

The Company has complied with all mandatory requirements of clause 49 of Listing Agreement.

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower policy 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 Management discussion and analysis report forms part of Directors' Report.

## 6. MEANS OF COMMUNICATION

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

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

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

## 7. GENERAL SHAREHOLDERS' INFORMATION

### A. Annual General Meeting

Date	28th September, 2015
Time	11.00 A.M.
Venue	Manesar Club Sector-5, IMT Manesar, Gurgaon Haryana-122050.

**B. Financial Calendar**

Financial Year	April 1 to March 31
During the year ended March 31, 2015 results were published on the following dates :	
Annual Audited Financial Results	17th May 2014 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
First Quarter Results	08th August 2014 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
Second Quarter Results	11th November 2014 (Mint All Editions) & Jansatta (Hindi), Delhi Edition, 12th November 2014 (Business Standard, All Editions) and 13th November 2014 (Business Line, Delhi & Mumbai Editions);
Third Quarter Results	14th February 2015 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)

**G. Market Price Data**

**Monthly high & low price of shares of your Company and no. of shares traded at Bombay and National Stock Exchanges are as under :**

Month	BSE			NSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April 2014	20.35	16.50	882825	20.40	16.45	2790539
May 2014	24.20	16.60	1780743	24.20	16.50	6049779
June 2014	23.70	19.60	1412012	23.80	19.40	4232472
July 2014	23.65	19.75	1422408	23.80	19.35	4088098
August 2014	21.95	18.00	709815	22.00	18.15	2443303
September 2014	35.30	18.75	8010816	35.20	18.75	25274184
October 2014	31.55	26.90	1666667	31.65	27.05	4794247
November 2014	34.90	28.75	3582406	34.90	27.50	11548207
December 2014	36.65	23.05	3603799	36.60	23.10	14402505
January 2015	29.30	25.75	987855	29.50	25.50	3803002
February 2015	29.05	22.15	1649646	28.95	22.15	4922432
March 2015	23.80	17.00	503894	23.85	17.15	2038453

**C. Book Closure Dates**

22nd September, 2015 to 28th September 2015  
(Both Days Inclusive)

**D. Dividend Payment Dates**

At the meeting of Board of Directors held on 20 May, 2015, a final dividend @ 15% i.e. ₹ 0.30/- per share has been recommended, subject to the approval of shareholders in Annual General Meeting. The same, if approved, will be paid on or after 29th September, 2015.

**E. Listing on Stock Exchanges**

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

**National Stock Exchange of India Ltd.**

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

**The Bombay Stock Exchange Ltd.**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

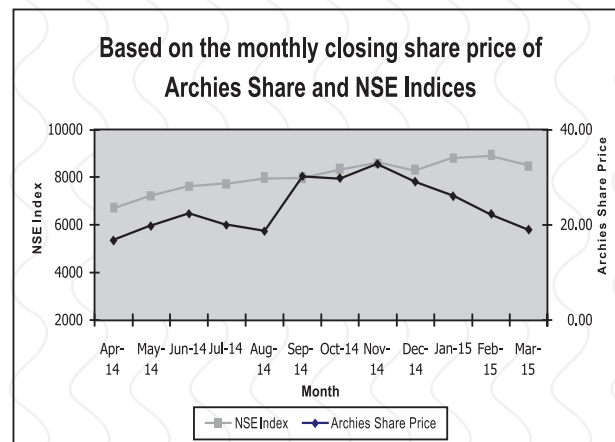
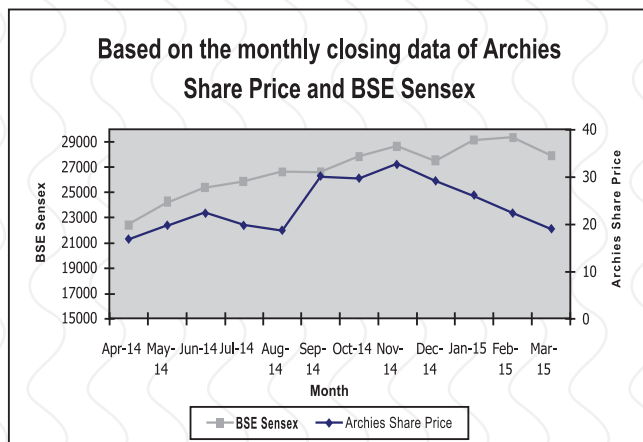
The Company has paid listing fee to National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. for the year 2015-2016.

**F. Stock Code**

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



## 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 share price of Archies Shares 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.  
44, Community Centre, 2nd Floor,  
Naraina Industrial Area, Phase-I,  
New Delhi - 110028  
Tele Nos: 011-41410592-93-94  
Fax No: 011-41410591  
E-mail : 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 "Share Transfer Committee" which meets very frequently depending upon the number of requests for Share Transfers received and shares are transferred within the stipulated time provided the documents are complete in all respects.

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

## K. Distribution of Shareholdings :

No. of Equity Shares Held	AS ON MARCH 31							
	2015				2014			
	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shareholdings	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shareholdings
1 — 500	11,514	76.469	19,17,307	5.676	11,738	77.193	19,67,998	5.826
501 — 1000	1,761	11.695	15,61,001	4.621	1,735	11.410	15,35,755	4.546
1001 — 2000	789	5.240	12,76,910	3.780	774	5.090	12,56,328	3.719
2001 — 3000	292	1.940	7,63,850	2.261	305	2.006	7,95,600	2.355
3001 — 4000	180	1.195	6,65,198	1.969	144	0.947	5,35,702	1.586
4001 — 5000	163	1.083	7,79,799	2.309	148	0.973	7,14,967	2.117
5001 — 10000	202	1.342	15,07,555	4.463	202	1.329	15,26,915	4.520
10001 & above	156	1.036	25,308,380	74.921	160	1.052	25,446,735	75.331
<b>Total</b>	<b>15,057</b>	<b>100.00</b>	<b>3,37,80,000</b>	<b>100.00</b>	<b>15,206</b>	<b>100.00</b>	<b>3,37,80,000</b>	<b>100.00</b>

**L. Categories of Shareholders :**

Category	AS ON MARCH 31					
	2015			2014		
	No. of Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	No. of Shares held	% of total Shares
Individuals	14450	9784272	28.96	14632	10207336	30.22
Body Corporates/Clearing Member/Trusts/H.U.F.	487	2946970	8.73	458	2462055	7.29
NRIs / OCBs / FIIs/FFIs	107	373680	1.11	106	180509	0.53
Mutual Funds/Banks/ Insurance Company/FIs	5	220478	0.65	2	75500	0.22
Promoters	8	20454600	60.55	8	20854600	61.74
<b>Total</b>	<b>15,057</b>	<b>3,37,80,000</b>	<b>100.00</b>	<b>15,206</b>	<b>3,37,80,000</b>	<b>100.00</b>

**M. Dematerialisation of shares and liquidity**

As on 31st March, 2015, 99.01% of total shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Only 0.99% of the total shareholding is held in physical form as on 31st March, 2015.

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 Locations**

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

**P. Address for correspondence**

ARCHIES LIMITED  
C-113, Naraina Industrial Area  
Phase-I, New Delhi-110028  
Tel : 011 - 41412222, 41410000  
Fax : 011 - 41410060  
Email : [pankaj.kamra@archiesonline.com](mailto:pankaj.kamra@archiesonline.com)

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

To the members of  
**Archies Limited**

We have examined the compliance of conditions of Corporate Governance by Archies Limited for the year ended on 31 March 2015 as stipulated in clause 49 of Listing Agreement of the said company with stock exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We state that such compliance 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.

For **UBEROI SOOD & KAPOOR**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 001462N)

**Place : New Delhi**  
**Date : 31 July, 2015**

**S. D. SHARMA**  
**(PARTNER)**  
**(M. No. 80399)**

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

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This is to confirm that the company has adopted a code of conduct for its directors and senior management personnel. The Code is available on Company's web site.

This is further confirmed that the company has, in respect of the financial year ended March 31, 2015, 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.

**Place : New Delhi**

**Vijayant Chhabra**  
**Chief-Executive Officer**

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

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**Date : 31 July, 2015**

### **CEO AND CFO CERTIFICATION**

We, Anil Moolchandani, Chairman-cum-Managing Director and Dilip Seth, Director (Finance) & CFO, responsible for the finance function certify that:

- (a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements 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 systems 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 to rectify these deficiencies.
- (d)
  - i. There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; except as mentioned in the notes to accounts.
  - iii. We are not aware of any instance during the year, of any significant fraud and the involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

**Place : New Delhi**

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

**Anil Moolchandani**  
**Chairman-cum-Managing Director**

**Date : 20 May, 2015**



## **INDEPENDENT AUDITORS' REPORT**

### **To The Members of ARCHIES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **ARCHIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, incorporating the Branch Auditors' Report of Mumbai, Pune, Goa, Indore, Ahmedabad, Chennai, Chandigarh, Hyderabad, Ludhiana, Kolkata, Bhubaneswar, Ernakulam and Bangalore Branches.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements..

#### **Opinion**

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 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, 2015, and its profit and its cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

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 purpose 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 report on the accounts of the branch offices of the Company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
- (d) The Balance Sheet, the Statement of Profit and Loss and 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;
- (e) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (f) On the basis of written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act;
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements — Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**Place: New Delhi**  
**Date: 20 May 2015**

**For UBEROI SOOD & KAPOOR**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 001462N)

**S.D. SHARMA**  
PARTNER  
(M. No. 80399)

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" 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) All 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.
- ii. (a) The inventory has been physically verified by the management at reasonable intervals.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. 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 the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, sub-clauses (iii)(a) and sub-clauses (iii)(b) of paragraph 3 of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
- v. The company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and the rules framed there under would apply.
- vi. The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 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, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and 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, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it were outstanding, as at 31 March, 2015 for a period of more than six months from the date they became payable; except an amount for ₹5.81 Lacs payable towards Entry tax at Kolkata Branch, as this matter is sub-judice before the Hon'ble Calcutta High Court for striking down such tax.  
(b) According to the records of the company, there are no dues of income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute, except the following:-

Nature of the Statutory Dues	Amount (₹ in Lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax	340.27	Block Period Ending 31.3.2000	High Court Delhi
VAT	0.99	Financial year 2009-10 and 2012-13	Department of Commercial Taxes, Ernakulam (Edappally)

- (c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and the rules made thereunder.

- viii. The company does not have accumulated losses. The company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- ix. The company has not defaulted in repayment of dues to a financial institution or banks.
- x. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were raised.
- xii. 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, noticed or reported during the year, nor have we been informed of such case by the Management.

**Place: New Delhi**  
**Date: 20 May 2015**

**For UBEROI SOOD & KAPOOR**  
CHARTERED ACCOUNTANTS  
(Firm Registration No. 001462N)

**S.D. SHARMA**  
PARTNER  
(Membership No. 80399)



**BALANCE SHEET AS AT 31 MARCH 2015**

(₹ in Lacs)

	NOTE	31 MARCH 2015	31 MARCH 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	675.62	675.62
Reserves and Surplus	4	10129.85	10744.64
		<b>10805.47</b>	11420.26
<b>Non-Current Liabilities</b>			
Long-Term borrowings	5	0.00	27.84
Deferred Tax Liabilities (net)	6	326.89	749.79
Other Long Term Liabilities	7	707.53	645.38
Long-Term Provisions	8	55.51	60.50
		<b>1089.93</b>	1483.51
<b>Current Liabilities</b>			
Short-Term Borrowings	9	659.41	788.39
Trade Payables	10	589.33	481.82
Other Current Liabilities	11	1102.93	1152.92
Short-Term Provisions	12	160.06	186.98
		<b>2511.73</b>	2610.11
		<b>14407.13</b>	15513.88
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		5591.04	7193.63
Capital Work-in-Progress		19.43	30.35
		<b>5610.47</b>	7223.98
Long-Term Loans and Advances	14	1201.36	1281.25
		<b>6811.83</b>	8505.23
<b>Current Assets</b>			
Inventories	15	4900.76	3986.03
Trade Receivables	16	2179.11	2112.10
Cash and Bank Balances	17	185.44	362.03
Short-Term Loans and Advances	18	329.99	548.49
		<b>7595.30</b>	7008.65
		<b>14407.13</b>	15513.88
<b>Summary of Significant Accounting Policies</b>			
	2		

The accompanying notes (1-36) are an integral part of the financial Statements

As per our report of even date

**For Uberoi Sood & Kapoor**  
**Chartered Accountants**  
**(Firm Registration No. 001462N)**

S.D. Sharma  
(Partner)  
(Membership No. 80399)  
New Delhi  
20 May, 2015

**For and on behalf of the Board**

Anil Moolchandani  
Chairman - cum - Managing Director

Dilip Seth  
Director (Finance) and CFO

Pankaj Kamra  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015**

(₹ in Lacs)

	NOTE	31 MARCH 2015	31 MARCH 2014
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Sales of Products (gross)	19	<b>19649.00</b>	19733.14
Less : Excise Duty		<b>113.66</b>	133.27
Sales of Products (net)		<b>19535.34</b>	19599.87
Other Operating Revenues		<b>33.46</b>	29.68
<b>Revenue from Operations</b>		<b>19568.80</b>	19629.55
Other Income	20	<b>166.14</b>	93.04
<b>TOTAL REVENUE</b>		<b>19734.94</b>	19722.59
<b>EXPENSES</b>			
Cost of Materials Consumed	21	<b>1380.52</b>	1663.69
Purchases of Traded Goods	22	<b>6888.11</b>	5040.94
Changes in Inventories of Manufactured Goods, Work-in-Progress and Traded Goods	23	<b>(1062.53)</b>	466.04
Employee Benefits Expense	24	<b>2888.80</b>	2916.78
Finance Costs	25	<b>296.72</b>	277.77
Depreciation	13	<b>639.77</b>	510.45
Other Expenses	26	<b>8071.63</b>	8076.91
<b>TOTAL EXPENSES</b>		<b>19103.02</b>	18952.58
<b>Profit Before Tax</b>		<b>631.92</b>	770.01
<b>Tax Expense</b>			
Current Tax		<b>218.02</b>	222.62
Deferred Tax	6	<b>1.66</b>	23.15
<b>Profit for the Year</b>		<b>412.24</b>	524.24
<b>Earning Per Equity Share</b>			
Basic & Diluted (₹) (Refer Note '32')		<b>1.22</b>	1.55
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes (1-36) are an integral part of the financial Statements

As per our report of even date

**For Uberoi Sood & Kapoor**  
**Chartered Accountants**  
**(Firm Registration No. 001462N)**

S.D. Sharma  
 (Partner)  
 (Membership No. 80399)  
 New Delhi  
 20 May, 2015

**For and on behalf of the Board**

Anil Moolchandani  
 Chairman - cum - Managing Director

Dilip Seth  
 Director (Finance) and CFO

Pankaj Kamra  
 Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
(A) <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	631.92	770.01
Adjustments for:		
Depreciation	639.77	510.45
Interest Paid	179.54	177.29
Profit / Loss on Sale/Disposal of Tangible Fixed Assets	18.05	147.23
Interest Received	(12.15)	(7.74)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1457.13</b>	<b>1597.24</b>
Adjustments for:		
Trade Receivables	(67.01)	(255.64)
Inventories	(914.73)	426.12
Other receivables	289.48	(241.94)
Trade Payable and Other Liabilities	100.52	(89.42)
Taxes Paid (Net)	(208.41)	(242.43)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>656.98</b>	<b>1193.93</b>
(B) <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment towards Capital Expenditure	(390.68)	(1243.41)
Proceeds from Sale of Tangible Fixed Assets	37.78	25.12
Interest Received	12.15	7.74
Fixed Deposit placed with banks having original maturity over three months (Net)	0.45	42.86
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>(340.30)</b>	<b>(1167.69)</b>
(C) <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) from Short-Term Borrowings (Net)	(128.98)	436.00
Proceeds/(Repayment) from Long-Term Borrowings (Net)	(27.84)	(23.02)
Interest Paid	(179.54)	(177.29)
Dividend Paid (Including Tax on Dividend)	(156.46)	(157.68)
<b>Net Cash Flow Used in Financing Activities (C)</b>	<b>(492.82)</b>	<b>78.01</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(176.14)	104.25
Cash and Cash Equivalents (Opening)	330.82	226.57
Cash and Cash Equivalents (Closing)	154.68	330.82
<b>Summary of Significant Accounting Policies</b>	2	

**For and on Behalf of the Board**

Anil Moolchandani  
Chairman - cum - Managing Director  
Dilip Seth  
Director (Finance) and CFO

Pankaj Kamra  
Company Secretary

## **AUDITORS CERTIFICATE**

We have verified the above Cash Flow Statement of Archies Limited derived from the audited financial statement for the year ended 31 March, 2015 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with the Stock Exchanges.

**For Uberoi Sood & Kapoor**  
**Chartered Accountants**  
**(Firm Registration No. 001462N)**

S.D. Sharma  
(Partner)  
(Membership No. 80399)

New Delhi  
20 May, 2015



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

### 1. GENERAL INFORMATION

Archies Ltd. 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 17 branches spread all over India and performs its operations through a systematic distribution network comprising of company owned Stores, Franchisee, Distributors and Retailers. It also exports its products.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of preparation of Financial Statements

The Financial Statements have been prepared to comply with all material aspects of the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The Financial Statements have been prepared under the historical cost convention on an accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). The accounting policies have been consistently applied by the Company.

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 Schedule III to the Companies Act, 2013. 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 Branch has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

The preparation of the Financial Statements in conformity with accounting principles requires that :

- (i) The management makes estimates and assumptions that affect the reported amounts of assets and liabilities,
- (ii) Disclosure of contingent liabilities as of the date of the Financial Statements.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates.

Advertisement, Postage, Packing & Forwarding and Business Promotions & Development expenses are shown at net figures after reducing the recovered amounts.

#### 2.2 Revenue Recognition

Revenue from sale of goods/job work is recognised when the sales/job work has been completed with the passing of title and are recorded net of returns, trade discounts, rebates, sales tax and excise duty. Sales on consignment basis are recognised upon receiving confirmation of sale from consignee.

Interest income is recognised on proportionate basis inclusive of tax deducted at source thereof.

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

Dividend income is recognised when the right to receive dividend is established.

#### 2.3 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition and subsequent improvements thereto including borrowing costs, tax, duties, freight and other incidental expenses related to acquisition and installation.

CENVAT credit wherever claimed has been reduced from the cost of acquisition.

The Company capitalises assets taken on Finance Lease, in accordance with the Accounting Standard 19 (Accounting For Leases)

#### 2.4 Capital Advances

Advances paid towards acquisition of fixed assets, not received before the year-end are disclosed under Capital Advances.

#### 2.5 Capital Work in Progress

The costs of assets not ready for use, before the year-end, are disclosed under Capital Work in Progress.

#### 2.6 Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method, based on the life prescribed in the Schedule II of the Companies Act, 2013 except for certain fixed assets, where useful life is considered higher based on management's estimate.

Leasehold improvements are amortised over the period of the lease or the useful life of the asset, whichever is lower.

Depreciation is charged on pro-rata basis for assets purchased/sold during the year. Individual assets costing upto Rs. 5,000/- are depreciated in the year of purchase.

#### 2.7 Investments

##### (i) Current Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as Current Investments. All other investments are classified as Non Current Investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

##### (ii) Non Current Investments

Non Current Investments are carried at cost and provision for diminution in value is made only if such decline is other than temporary in the opinion of the management.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

### 2.8 Miscellaneous Expenditure

Miscellaneous Expenditure is being written off in accounting period in which incurred.

### 2.9 Valuation of Inventories

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

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

### 2.10 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.

### 2.11 Foreign Exchange Transactions

- i) Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction.
- ii) Outstanding monetary items denominated in foreign currency are translated at the year-end exchange rates.
- iii) Any gain or loss on account of exchange differences is charged to the Statement of Profit and Loss.
- iv) The premium or discount arising on forward contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or expense for the year.
- v) The capital cost of respective fixed assets are adjusted for increase or decrease in liabilities incurred for the purpose of acquiring such fixed assets due to application of exchange rate prevailing at the Balance Sheet date.

### 2.12 Employees Benefits

#### Short-term Employee Benefits

- i) 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 and bonus and performance incentives.

### Post-employment Benefit Plans

- i) 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). Leave encashment is being given to the employees every year in the month of April while retaining upto 30 days credit. Unpaid leave upto 30 days is charged to the statement of Profit and Loss on the basis of actuarial valuation. Leave beyond 30 days is recognised on accrual basis as short term leave.
- ii) Contributions are made by the company to the Provident Fund on a monthly basis and charged to the Statement of Profit and Loss.
- iii) Gratuity due to employees is covered by the Group Gratuity Policy under Cash Accumulation Scheme of Life Insurance Corporation of India (LIC). The contributions in respect of such scheme, based on the advices received from LIC, are made to the Gratuity Fund Trust. The liability towards gratuity is provided on the basis of actuarial valuation carried out by an independent Actuary in accordance with the Accounting Standard 15 (Employee Benefits).

### 2.13 Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event and it is probable that it would involve an outflow of resources and a reliable estimate can be made of the amount of such obligation. Such provisions are not discounted to their present value and are determined based on the management's estimation of the obligation required to settle the obligation at the balance sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect management's current estimates.

A disclosure for a Contingent Liability is made where it is more likely than not that a present obligation or possible obligation may result in or involve an outflow of resources. When no present or possible obligation exists and the possibility of an outflow of resources is remote, no disclosure is made.

### 2.14 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

Deferred tax asset in respect of unabsorbed depreciation and carry forward of losses, if any, are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

### 2.15 Segment Reporting

(i) **Primary Segment**

The company operates in three primary business Segments-Greeting Cards, Stationery and Gifts.

(ii) **Secondary Segment**

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

### 2.16 Impairment of Assets

At each balance sheet date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds the recoverable amount.

### 2.17 Leases

Operating lease payments are recognised as an expense in the Statement of profit and loss as per the terms of the agreements which are representative of the time pattern of the user's benefit.

### 2.18 Earnings Per Share

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

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

### 2.19 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investment with maturity of three months or less.

### 2.20 Previous Year Figures

Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary, to make them comparable with the current year figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>3. SHARE CAPITAL</b>		
Authorised (No. in Lacs) 750 (31 March 2014, 750) Equity shares of ₹ 2/- each	1500.00	1500.00
<b>Issued, Subscribed and Paid-Up</b> 337.80 (31 March 2014, 337.80) Equity shares of ₹ 2/- each fully paid up	675.60	675.60
<b>Forfeited shares</b>	0.02	0.02
	675.62	675.62

Details of shareholders holding more than 5% equity shares in the Company

		31 MARCH 2015		31 MARCH 2014	
S.No.	Shareholder's Name	No. of Equity Shares Held	% of Holding	No. of Equity Shares Held	% of Holding
a)	Anil Moolchandani	67.94	20.11	67.94	20.11
b)	Jagdish Moolchandani	42.53	12.59	42.53	12.59
c)	Pushpa Moolchandani	29.64	8.78	29.64	8.78
d)	Varun Moolchandani	16.31	4.83	20.31	6.01
e)	Karan Moolchandani	18.52	5.48	18.52	5.48
f)	Raghav Moolchandani	18.08	5.35	18.08	5.35

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>4. RESERVES AND SURPLUS</b>		
a) <b>Capital Reserve</b>		
Forfeiture of Share Warrants	159.50	159.50
Closing Balance	159.50	159.50
b) <b>Securities Premium Account</b>		
Opening Balance	737.95	737.95
Closing Balance	737.95	737.95
c) <b>General Reserve</b>		
Opening Balance	5910.52	5760.52
Add: Transferred from Surplus in Statement of Profit and Loss	100.00	150.00
Less: Adjustment pursuant to Schedule II of Companies Act 2013	884.02	0.00
Closing Balance	5126.50	5910.52
d) <b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	3936.67	3737.37
Add/(Less) : Previous Years' Tax Adjustments	0.00	(16.86)
Add : Profit for the year	412.24	524.24
	4348.91	4244.75
Less : Appropriations		
Transfer to General Reserve	100.00	150.00
Provision for Corporate Social Responsibility Activities (Out of which ₹ 7.00 lacs were spent during the year )	21.41	0.00
Proposed Dividend ₹ 0.30 (31 March 2014, ₹ 0.40) each Equity Share	101.34	135.12
Tax on Dividend	20.26	22.96
Closing Balance	4105.90	3936.67
<b>Total (a) + (b) + (c) + (d)</b>	<b>10129.85</b>	<b>10744.64</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

(₹ in Lacs)

		31 MARCH 2015	31 MARCH 2014
5.	<b>LONG - TERM BORROWINGS</b>		
	<b>Secured Loans</b>		
	Vehicle Loans i and ii		
	- Banks	0.00	27.84
			27.84
i.	Against hypothecation of Vehicle.		
ii.	The loan is repayable in Equated Installments from the date of loan.		
iii.	The charges stated above are also applicable for securing the current portion of Long Term Liabilities as per Note no. 11		
6.	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	<b>Deferred Tax Liabilities</b>		
	Related to Tangible Fixed Assets a)	362.40	805.69
	(Net of adjustment of ₹ 424.56 pursuant to Schedule II of Companies Act 2013)	362.40	805.69
	<b>Deferred Tax Assets</b>		
	Employee Benefits	27.86	48.25
	Provision for Doubtful Advances	7.65	7.65
	b)	35.51	55.90
	(a-b)	326.89	749.79
	<b>Deferred Tax Charged to Statement of Profit and Loss</b>	1.66	23.15
7.	<b>OTHER LONG-TERM LIABILITIES</b>		
	Security Deposit	707.53	645.38
	(Received from Franchisee, Agents & Distributors)		
		707.53	645.38
8.	<b>LONG - TERM PROVISIONS</b>		
	Provision for Employee Benefits (Refer Note 35)		
	Provision for Leave Encashment	55.51	60.50
	(Net of Plan Asset of ₹ 5.00 (31 March 2014, ₹ Nil))		
		55.51	60.50
9.	<b>SHORT - TERM BORROWINGS</b>		
	Loans repayable on demand (Secured)		
	WCDL, Cash Credit, Buyer's Credit, Packing Credit from Banks i and ii	659.41	788.39
		659.41	788.39
i.	Pari passu first charge in favour of ICICI bank Ltd., Citibank N.A. and Indusind 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 ICICI Bank Ltd., Citibank N.A. and Indusind Bank Ltd. on the immovable property situated at Plot No. 260, Sector 6, IMT Manesar, Gurgaon, Haryana.		
iii.	Personal Guarantee of Mr. Anil Moolchandani, CMD and Mr. Jagdish Moolchandani COO		

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>10. TRADE PAYABLES</b>		
Trade payables	<b>589.33</b>	481.82
	<b>589.33</b>	481.82
<b>11. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Borrowings	<b>0.00</b>	52.43
Advance from customers	<b>34.51</b>	30.00
Interest Accrued But Not Due	<b>0.00</b>	2.76
Statutory Liabilities	<b>159.05</b>	140.52
Accrued Salary & Other Benefits	<b>273.99</b>	256.41
Expenses Payable	<b>124.41</b>	207.94
Unclaimed Dividend	<b>7.64</b>	6.02
Other Payable for Expenses	<b>503.33</b>	456.84
	<b>1102.93</b>	1152.92
<b>12. SHORT-TERM PROVISIONS</b>		
Provision For Employee Benefits (Refer Note 35)		
Leave Encashment	<b>7.54</b>	18.32
Gratuity	<b>30.22</b>	10.58
Provision for Income Tax	<b>0.70</b>	0.00
Proposed Dividend	<b>101.34</b>	135.12
Provision for Dividend Tax	<b>20.26</b>	22.96
	<b>160.06</b>	186.98

**13. TANGIBLE FIXED ASSETS**

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01 APRIL 2014	ADDITIONS	DISPOSALS / ADJUSTMENTS	AS AT 31 MARCH 2015	AS AT 01 APRIL 2014	FOR THE YEAR	OTHER ADJUSTMENTS (SCHEDULE-II OF COMPANIES ACT 2013)	DISPOSALS/ ADJUSTMENTS	AS AT 31 MARCH 2015	AS AT 31 MARCH 2015	AS AT 31 MARCH 2014
LAND	855.04	0.00	0.00	<b>855.04</b>	0.00	0.00	0.00	0.00	<b>0.00</b>	<b>855.04</b>	855.04
FACTORY BUILDINGS	1961.80	0.00	1523.61	<b>438.19</b>	320.13	13.70	25.41	278.41	<b>80.83</b>	<b>357.36</b>	1641.67
BUILDING (OTHER THAN FACTORY)	807.03	25.00	(1506.16)	<b>238.19</b>	18.49	36.69	(112.49)	(222.28)	<b>164.97</b>	<b>2173.22</b>	788.54
PLANT & MACHINERY	1744.89	13.97	214.70	<b>1544.16</b>	1026.08	51.15	(40.80)	188.00	<b>848.43</b>	<b>695.73</b>	718.81
FURNITURE & FITTINGS	3661.07	290.01	413.38	<b>3537.70</b>	1272.54	264.39	1284.07	354.76	<b>2466.24</b>	<b>1071.46</b>	2388.53
OFFICE EQUIPMENT	590.26	33.96	86.03	<b>538.19</b>	176.47	161.98	104.72	86.02	<b>357.15</b>	<b>181.04</b>	413.79
COMPUTERS	639.10	35.51	136.38	<b>538.23</b>	472.68	71.80	47.48	136.38	<b>455.58</b>	<b>82.65</b>	166.42
VEHICLES	308.89	3.15	11.99	<b>300.05</b>	91.73	38.05	0.19	2.80	<b>127.17</b>	<b>172.88</b>	217.16
POLLUTION CONTROL EQUIPMENT	9.06	0.00	0.00	<b>9.06</b>	5.39	2.01	0.00	0.00	<b>7.40</b>	<b>1.66</b>	3.67
<b>TOTAL</b>	<b>10577.14</b>	<b>401.60</b>	<b>879.93</b>	<b>10098.81</b>	<b>3383.51</b>	<b>639.77</b>	<b>1308.58</b>	<b>824.09</b>	<b>4507.77</b>	<b>5591.04</b>	<b>7193.63</b>
CAPITAL WORK IN PROGRESS										<b>19.43</b>	30.35
<b>GRAND TOTAL</b>	<b>10577.14</b>	<b>401.60</b>	<b>879.93</b>	<b>10098.81</b>	<b>3383.51</b>	<b>639.77</b>	<b>1308.58</b>	<b>824.09</b>	<b>4507.77</b>	<b>5610.47</b>	<b>7223.98</b>
31 March 2014	9482.70	1407.60	313.16	<b>10577.14</b>	3013.87	510.45	0.00	140.81	<b>3383.51</b>	<b>7223.98</b>	

Note :

Due to applicability of Schedule II to the Companies Act 2013 with effect from 01 April 2014, the Company has reviewed and revised the estimated useful lives, residual value and reclassified certain fixed assets based on technical study and other fixed assets in accordance with the said provision. Consequent to change of useful life, an amount of ₹ 884.02 Lacs (Net of deferred tax of ₹ 424.56 Lacs) representing carrying value of those assets whose useful life had expired as on 01 April 2014 has been adjusted against the opening balance in General Reserve. Had the Company, continued with the previous assessed useful lives, depreciation charged for the year ended 31 March 2015 would have been lower by Rs. 146.18 Lacs.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Advances to Suppliers	23.57	23.57
Less : Provision for Doubtful Advances	23.57	23.57
	<b>0.00</b>	0.00
Capital Advance	4.04	1.25
Security Deposits	1188.73	1256.16
Prepaid Expenses	2.13	2.59
Advance Tax (Net)	0.00	8.91
Advance to Staff	1.05	2.97
Others	5.41	9.37
	<b>1201.36</b>	1281.25
<b>15. INVENTORIES</b>		
(Refer note 2.9)		
Raw Materials (Refer Note 21)	166.87	322.08
Work in Progress (Refer Note 23)	71.92	112.77
Manufactured Goods (Refer Note 23)	718.13	765.53
Traded Goods (Refer Note 23)	3927.76	2776.98
Other Misc. Inventories	16.08	8.67
	<b>4900.76</b>	3986.03
<b>16. TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	192.15	132.59
Other debts	1986.96	1979.51
	<b>2179.11</b>	2112.10
<b>17. CASH AND BANK BALANCES</b>		
<b>(a) Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
In Current Accounts	113.85	278.68
<b>Cash Balance on Hand</b>	40.83	52.14
	<b>154.68</b>	330.82
<b>(b) Other Bank Balances</b>		
Deposits with banks with maturity more than 3 months but less than 12 Months (i)	21.36	17.78
Interest Accrued on Bank Deposits (i)	0.35	0.37
Deposits with banks with maturity more than 12 months (i)	8.20	10.52
Interest Accrued on Bank Deposits	0.85	2.54
	<b>30.76</b>	31.21
	<b>185.44</b>	362.03

i) Deposited against Margin Money and Sales Tax Department

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**

(₹ in Lacs)

		31 MARCH 2015	31 MARCH 2014
18.	<b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good)		
	Advances to Suppliers	236.11	454.20
	Advances to Staff	6.77	10.62
	Special Additional Duty Recoverable	3.26	6.19
	Security Deposits	58.06	24.71
	Prepaid Expenses	21.58	22.21
	Others Loan and Advances	4.21	30.56
		<b>329.99</b>	<b>548.49</b>
19.	<b>REVENUE FROM OPERATIONS</b>		
	<b>Sale of Products (Gross)</b>		
	Manufactured Goods	5165.71	5463.86
	Traded Goods	14483.29	14269.28
		<b>19649.00</b>	<b>19733.14</b>
	Less : Excise Duty (i)	113.66	133.27
	<b>Sale of Products (Net) (a)</b>	<b>19535.34</b>	<b>19599.87</b>
	<b>Other Operating Revenues</b>		
	Scrap Sales	9.99	10.85
	Other	23.47	18.83
		<b>(b)</b>	<b>29.68</b>
	Revenue from Operations <b>(a) + (b)</b>	<b>19568.80</b>	<b>19629.55</b>
(i)	Excise duty on sales amounting to ₹ 113.66 (31 March 2014, ₹ 133.27 has been reduced from sales in Statement of Profit and Loss and excise duty on increase/decrease in stock amounting to ₹ 18.60 (31 March 2014, ₹ (4.63)) has been considered as (income)/expense in note 26 of financial statements.		
	<b>Details of Goods Sold - Manufactured Goods</b>		
	Greeting Cards	3869.64	4306.19
	Stationery Items	1276.43	1140.12
	Others	19.64	17.55
		<b>5165.71</b>	<b>5463.86</b>
	<b>Details of Goods Sold - Traded Goods</b>		
	Greeting Cards	404.73	321.29
	Stationery Items	1821.64	1519.33
	Gift Items	12172.28	12343.93
	Others	84.64	84.73
		<b>14483.29</b>	<b>14269.28</b>
20	<b>OTHER INCOME</b>		
	Exchange Difference	51.67	48.26
	Rent Received	20.48	1.10
	Interest Received (Gross)		
	Bank	7.98	2.45
	Others	4.17	5.29
	Income from Business Auxillary Services	60.00	1.34
	Miscellaneous Income	17.86	30.79
	Profit on Sale of Tangible Fixed Assets	3.98	3.81
		<b>166.14</b>	<b>93.04</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>21. COST OF MATERIALS CONSUMED</b>		
Opening Stock	322.08	282.05
Add : Purchases	1225.31	1703.72
	1547.39	1985.77
Less : Closing Stock	166.87	322.08
	1380.52	1663.69
<b>Details of Material Purchased</b>		
Paper & Paper Board	405.05	677.39
Misc. Raw Material	820.26	1026.33
	1225.31	1703.72
<b>Details of Material Consumed</b>		
Paper & Paper Board	499.69	657.45
Misc. Raw Material	880.83	1006.24
	1380.52	1663.69
<b>Details of Inventory</b>		
Paper & Paper Board	139.06	233.70
Misc. Raw Material	27.81	88.38
	166.87	322.08
Value of Imported & Indigenous Raw Material Consumed		
<b>Particulars</b>	<b>31 MARCH 2015</b>	<b>31 MARCH 2014</b>
	% Value (₹ in Lacs)	% Value (₹ in Lacs)
Imported	27.35 377.57	23.76 395.28
Indigenous	72.65 1002.95	76.24 1268.41
	100.00 1380.52	100.00 1663.69
<b>22. PURCHASES OF TRADED GOODS</b>		
Traded Goods	6888.11	5040.94
	6888.11	5040.94
<b>Details of Purchases of Traded Goods</b>		
Greeting Cards	114.36	93.12
Stationery Items	712.01	398.33
Gift Items	5979.35	4538.69
Others	82.39	10.80
	6888.11	5040.94

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
23. <b>CHANGES IN INVENTORIES OF MANUFACTURED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Opening Stock</b>		
Manufactured Goods	765.53	795.14
Work-in-Progress	112.77	59.11
Traded Goods	2776.98	3267.07
	<b>3655.28</b>	<b>4121.32</b>
<b>Closing Stock</b>		
Manufactured Goods	718.13	765.53
Work-in-Progress	71.92	112.77
Traded Goods	3927.76	2776.98
	<b>4717.81</b>	<b>3655.28</b>
(Increase)/ Decrease in Stock	<b>(1062.53)</b>	<b>466.04</b>
<b>Details of Inventory of Manufactured Goods</b>		
Greeting Cards	515.90	543.09
Stationery Items	202.23	222.44
	<b>718.13</b>	<b>765.53</b>
<b>Details of Inventory of Work-in-Progress</b>		
Greeting Cards	71.92	108.25
Stationery Items	0.00	4.52
	<b>71.92</b>	<b>112.77</b>
<b>Details of Inventory of Traded Goods</b>		
Greeting Cards	34.27	52.81
Stationery Items	326.35	282.90
Gift Items	3516.67	2430.91
Others	50.47	10.36
	<b>3927.76</b>	<b>2776.98</b>
24. <b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Other Benefits	2664.27	2705.86
Contribution to Provident and Other Funds	181.10	162.35
Staff Welfare Expenses	43.43	48.57
	<b>2888.80</b>	<b>2916.78</b>
25. <b>FINANCE COSTS</b>		
Financial Charges	117.18	100.48
Interest	179.54	177.29
	<b>296.72</b>	<b>277.77</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2015**

(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
<b>26. OTHER EXPENSES</b>		
Advertisement	220.60	165.05
Bad Debts	22.65	14.68
Business Promotion & Development	407.82	366.69
Commission on Sales	1260.30	1163.50
Communication Expenses	90.32	90.91
Computer Expenses	37.44	28.33
Consumables (i)	19.45	26.34
Conveyance	98.34	102.02
Director's Sitting Fees	2.46	2.02
Discount Allowed	116.83	135.31
Electricity & Water Expenses	566.76	594.02
Excise Duty	18.60	(4.63)
Freight & Cartage (Outward)	77.66	49.35
Freight & Cartage Inward	411.08	395.38
General Expenses	29.74	30.18
Charity and Donations	5.00	13.53
Insurance	23.71	30.37
Jobwork	118.41	168.51
Legal & Professional Charges (ii)	82.83	80.60
Licence Fees	4.73	6.53
Loss in Transit Damages	0.00	4.11
Loss on Sale / Deletion of Tangible Fixed Assets	22.03	151.04
Meeting & Conference Expenses	16.14	14.59
Office Maintenance	82.18	74.19
Postage, Packing & Forwarding	152.07	150.08
Power	60.94	67.30
Printing & Stationery	33.79	36.44
Rates & Taxes	12.05	18.38
Rent (Refer Note 36)	2874.07	2933.31
Repair & Maintenance		
- Machinery	46.79	42.20
- Building	12.94	31.45
- Vehicles	72.42	77.97
- Others	157.93	147.49
Shop Maintenance	735.17	722.52
Travelling Expenses	123.48	84.25
Watch & Ward Expenses	54.90	62.90
	<b>8071.63</b>	<b>8076.91</b>

**i) Value of Imported & Indigenous Consumables**

Particulars		31 MARCH 2015		31 MARCH 2014
	%	(₹ in Lacs)	%	(₹ in Lacs)
Indigenous	100	19.45	100	26.34

**ii) Figures under the head "Legal & Professional Charges" includes amount paid to the Auditors of the Company**  
(₹ in Lacs)

	31 MARCH 2015	31 MARCH 2014
a) For Statutory and Tax Audit	14.89	14.89
b) Branch Auditors	5.56	4.78
c) For Branch other Matters	0.14	0.14

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015****27. CAPITAL AND OTHER COMMITMENT**

Capital Commitment - Estimated amount of contracts remaining to be executed on Capital Account (net of advances) and not provided for ₹ 22.53 Lacs (31 March 2014 ₹ 53.50 Lacs)

Other Commitment - Estimated amount of contracts remaining to be executed on Other Commitment (net of advances) and not provided for ₹ 208.76 Lacs (31 March 2014 ₹ 548.42 Lacs)

**28. CONTINGENT LIABILITIES :**

	31 MARCH 2015	31 MARCH 2014
	(₹ in Lacs)	
a) Income Tax Demand (Block Period)	340.27*	340.27*
b) Dispute of Rent Escalation and CAM Charges	5.19	4.21
c) Vat penalty	0.99**	Nil
d) Bank Guarantee	14.12	22.07

\*A demand of ₹ 340.27 Lacs was raised against the company in block assessment, the Income Tax Appellate Tribunal (ITAT) partly allowed appeal of the company and demand was reduced to ₹ 29.83 Lacs. The Income Tax Department has filed an appeal in Hon'ble High Court of Delhi against the order of the Hon'ble ITAT.

\*\* Vat penalty was demanded by the Department of Commercial Taxes Ernakulam. Company has filed an appeal with Deputy Commissioner of Commercial Taxes, Ernakulam (Edappally).

**29. VALUE OF IMPORTS CALCULATED ON CIF BASIS**

	31 MARCH 2015	31 MARCH 2014
	(₹ in Lacs)	
Raw Material	241.11	322.72
Traded Goods	3367.20	2366.41
Artwork & Designs	21.23	19.48
Capital Goods	12.79	94.92

**30. EXPENDITURE IN FOREIGN CURRENCY**

	31 MARCH 2015	31 MARCH 2014
	(₹ in Lacs)	
Travelling	26.68	18.01
Business Promotion & Development	114.76	101.38

**31. EARNINGS IN FOREIGN CURRENCY**

	31 MARCH 2015	31 MARCH 2014
	(₹ in Lacs)	
Export of Goods calculated on FOB Basis	264.57	340.29

**32. EARNING PER SHARE (AS - 20)**

	31 MARCH 2015	31 MARCH 2014
Profit after Tax (₹ in Lacs)	412.24	524.24
Weighted Average		
Number of Equity Shares (No. in Lacs)	337.80	337.80
Nominal value per Equity Share (₹)	2/-	2/-
Basic & Diluted Earning Per Share (₹)	1.22	1.55



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**
**33. SEGMENT REPORTING (AS - 17)**

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 Lacs)

S.NO.	PARTICULARS	31 MARCH 2015	31 MARCH 2014
	<b>Segment Revenue</b>		
a	Greeting Cards	<b>4207.05</b>	4553.80
b	Stationery	<b>3051.73</b>	2599.86
c	Gifts	<b>12172.28</b>	12343.93
d	Others	<b>104.28</b>	102.28
	<b>Income From Operations</b>	<b>19535.34</b>	19599.87
	<b>Segment Results</b>		
	<b>Profit before Dep., Interest, Finance Charge &amp; Tax</b>		
a	Greeting Cards	<b>595.55</b>	734.30
b	Stationery	<b>356.10</b>	239.82
c	Gifts	<b>1026.68</b>	1223.96
d	Others	<b>9.27</b>	6.96
	<b>Total</b>	<b>1987.60</b>	2205.04
	Less: Depreciation	<b>639.77</b>	510.45
	Less: Interest and Finance Charges	<b>296.72</b>	277.77
	Less: Other unallocable exp. net of unallocable Income	<b>419.19</b>	646.81
	<b>Profit before Tax</b>	<b>631.92</b>	770.01
	<b>Capital Employed</b>		
	(Segment Assets-Segment Liabilities)	<b>10805.47</b>	11420.26
	<b>Total</b>	<b>10805.47</b>	11420.26

**(ii) Information about Geographical Segment**

(₹ in Lacs)

Particulars	Sales Revenue By Geographical Market		Carrying Amount of Segment Assets		Additions to Tangible Fixed Assets	
	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
East	<b>1525.07</b>	1466.24	<b>404.77</b>	412.96	<b>0.74</b>	0.27
West	<b>4464.17</b>	4642.88	<b>2106.38</b>	2446.15	<b>24.34</b>	140.17
North	<b>9084.11</b>	8910.03	<b>10213.05</b>	10562.03	<b>304.41</b>	1170.19
South	<b>3593.23</b>	3611.76	<b>1423.72</b>	1790.74	<b>67.31</b>	78.40
Central	<b>604.18</b>	628.67	<b>259.21</b>	302.00	<b>4.81</b>	18.57
Export	<b>264.57</b>	340.29	<b>NIL*</b>	NIL*	<b>NIL*</b>	NIL*
Total	<b>19535.34</b>	19599.87	<b>14407.13</b>	15513.88	<b>401.60</b>	1407.60

\* No specific assets are held for export.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

### (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 comprising Non-Current Assets and Current Assets.

Segment Liabilities include all Operating Liabilities comprising Non-Current Liabilities and Current 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.

### 34. RELATED PARTY DISCLOSURES (AS-18)

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

S. No.	Name of Related Party	Relationship
1.	Mr. Anil Moolchandani (Chairman-Cum-Managing Director)	<b>Key Management Personnel</b>
	Mr. Jagdish Moolchandani (Chief Operating Officer)	
	Mr. Pramod Arora* (Joint Managing Director)	
	Mr. Vijayant Chhabra** (Chief Executive Officer)	
	Mr. Dilip Seth*** Director (Finance) & CFO	
	Mr. Vikas Kumar Tak (Company Secretary)	
2.	Mrs. Neeru Moolchandani w/o Mr. Anil Moolchandani	<b>Relatives of Key Management Personnel</b>
	Mrs. Pushpa Moolchandani w/o Mr. Jagdish Moolchandani	
	Mr. Varun Moolchandani s/o Mr. Anil Moolchandani	
	Mr. Karan Moolchandani s/o Mr. Anil Moolchandani	
	Mr. Raghav Moolchandani s/o Mr. Jagdish Moolchandani	
	Mrs. Veena K. Talreja Sister of Mr. Anil Moolchandani & Mr. Jagdish Moolchandani	
	Mr. Vikrant Chhabra Brother of Mr. Vijayant Chhabra	
	Mrs. Mohini Seth Mother of Mr. Dilip Seth	
3.	M/s Empire Greetings & Gifts Pvt. Ltd. M/s Rattanjee M/s Andani Corp.	<b>Enterprises over Which Key Management Personnel or their Relatives Exercise Significant Influence</b>
4.	M/s Finesse Interactive Solution Pvt. Ltd. ****	<b>Enterprises over Which Director has interest</b>

\* Mr. Pramod Arora did not offer himself for re-appointment as Director in last AGM held on dt. 23.09.2014 and ceases to be Director w.e.f. dt. 23.09.2014.

\*\* Mr. Vijayant Chhabra resigned from Executive Director w.e.f. dt. 16.05.2014 and was appointed as Chief Executive Officer of the Company w.e.f. dt. 16.05.2014

\*\*\* Mr. Dilip Seth was appointed as CFO of the Company w.e.f. dt. 16.05.2014 and he is designated as Director (Finance) & CFO of the Company

\*\*\*\* Mr. Deepak Thakkar was appointed as Non Executive Director w.e.f. dt. 07.08.2014

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015

## ii) Transactions During The Year With Related Parties :

(₹ in Lacs)

S. NO.	NATURE OF TRANSACTION	KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014	31 MARCH 2015	31 MARCH 2014
1	Purchase of Goods					505.25	437.44	505.25	437.44
2	Sale of Goods					2.06	1.49	2.06	1.49
3	Commission on Sales			3.83	4.03	7.87	18.88	11.70	22.91
4	Reimbursement of Expenses					11.59	4.88	11.59	4.88
5	Rendering Of Services					68.74	0.00	68.74	0.00
6	Rent Paid	82.32	91.60	102.06	75.35	94.00	94.00	278.38	260.95
7	Salary	148.61	133.75	24.78	16.23			173.39	149.98
	Debit Balances Outstanding								
	Outstanding receivables					12.60	12.60	12.60	12.60
	Credit Balance Outstanding								
	Outstanding Payable	10.16	5.50	2.99	1.71	19.67	4.19	32.82	11.39

The Company has passed special resolution on 30th September 2011 for appointment & remuneration of Mr. Anil Moolchandani for 5 years. Due to inadequacy of the profits, the excess remuneration paid during the year shall be held by Mr. Anil Moolchandani in trust till the time the same is approved by shareholders in forthcoming AGM. The amount will be refunded by Mr. Anil Moolchandani if the shareholders donot approve this remuneration in the forthcoming AGM.

### 35. EMPLOYEE BENEFITS

#### a) The principal assumptions used in actuarial valuation are as below:

	31 MARCH 2015	31 MARCH 2014
Discount Rate	7.80%	9.10%
Expected Rate of return on Plan Assets	9.00%	8.75%
Expected Rate of increase in compensation Level	4.00%	6.00%

#### b) Changes in the present value of the obligations

(₹ in Lacs)

Particulars	31 MARCH 2015		31 MARCH 2014	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Present Value of obligations	78.82	334.68	77.29	319.11
Interest Cost	7.17	30.46	6.19	25.53
Current Service Cost	11.45	30.29	12.10	32.08
Benefits Paid	(12.84)	(64.78)	(11.40)	(27.61)
Actuarial Loss/(gain) on obligations	(16.55)	(8.28)	(5.36)	(14.43)
Closing Present Value of Obligations	68.05	322.37	78.82	334.68

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**

**c) Changes in Fair Value of Plan Assets**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Fair Value of Plan Assets	-	324.10	-	276.87
Expected return on Plan Assets	-	28.36	-	25.61
Employer contribution	5.00	7.27	-	49.20
Benefits Paid	-	(64.78)	-	(27.61)
Actuarial gain/(loss) on Plan Assets	-	(2.80)	-	0.03
Closing Fair Value of Plan Assets	5.00	292.15	-	324.10

**d) Fair Value Of Plan Assets**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Fair Value of Plan Assets	-	324.10	-	276.87
Actual return on Plan Assets	-	25.56	-	25.64
Employer contribution	5.00	7.27	-	49.20
Benefits Paid	-	(64.78)	-	(27.61)
Fair Value of Plan Assets at the end of period	5.00	292.15	-	324.10
Funded Status	(63.05)	(30.22)	(78.82)	(10.58)
Excess of Actual over Expected Return on Plan Assets	-	(2.80)	-	0.03

**e) Actuarial Gain/(Loss) Recognised**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Actuarial gain/(loss)-Obligations	16.55	8.28	5.36	14.43
Actuarial gain/(loss)-Plan Assets	-	2.80	-	(0.03)

**f) Amount Recognised in the Balance Sheet**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Closing Present Value of obligations	68.05	322.37	78.82	334.68
Fair value of Plan Assets as at the end of the year	5.00	292.15	-	324.10
Funded Status	(63.05)	(30.22)	(78.82)	(10.58)
Net Liability Recognized in Balance Sheet	63.05	30.22	78.82	10.58



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**

**g) Expenses Recognised in The Statement of Profit And Loss**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Current Service Cost	11.45	30.29	12.10	32.08
Interest Cost	7.17	30.46	6.19	25.53
Expected return on Plan Assets	-	(28.36)	-	(25.61)
Net Actuarial (Gain)/Loss Recognised during the year	(16.55)	(5.48)	(5.36)	(14.46)
Total Expense recognised in Statement of Profit and Loss	2.07	26.91	12.93	17.54

**h) Amount for the Current Period**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Present Value of Obligation	68.05	322.37	78.82	334.68
Plan Assets	5.00	292.15	-	324.10
Surplus (Deficit)	(63.05)	(30.22)	(78.82)	(10.58)
Experience adjustments on plan liabilities- (Loss)/Gain	14.28	(2.21)	1.43	(6.07)
Experience adjustments on plan assets- (Loss)/Gain	-	(2.80)	-	0.03

**i) Reconciliation Statement Of Expenses in the Statement of Profit and Loss**

(₹ in Lacs)

	31 MARCH 2015		31 MARCH 2014	
Particulars	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Present Value of obligation as at the end of period	68.05	322.37	78.82	334.68
Present Value of obligation as at the beginning of period	(78.82)	(334.68)	(77.29)	(319.11)
Benefits paid :				
(i) Directly paid by the enterprise	12.84	-	11.40	-
(ii) Payment made out of the fund	-	64.78	-	27.61
Actual return on plan assets	-	(25.56)	-	(25.64)
Expense recognised in the Statement of Profit & Loss	2.07	26.91	12.93	17.54

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2015**

**j) Movement in the Liability Recognised in the Balance Sheet**

(₹ in Lacs)

Particulars	31 MARCH 2015		31 MARCH 2014	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Net Liability	78.82	10.58	77.29	42.24
Expenses as above	2.07	26.91	12.93	17.54
Benefits paid directly by the enterprise	(12.84)	-	(11.40)	-
Contributions paid into the fund	(5.00)	(7.27)	-	(49.20)
Closing Net liability	63.05	30.22	78.82	10.58

**k) Classification of Liability Into Current & Non-Current Liability**

(₹ in Lacs)

Particulars	31 MARCH 2015		31 MARCH 2014	
	Leave Encashment Funded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Current Liability	7.54	30.22	18.32	10.58
Non-Current Liability	55.51	0.00	60.50	0.00
Closing Net Liability	63.05	30.22	78.82	10.58

**36. OPERATING LEASE (AS-19)**

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 ₹ 2874.07 Lacs (31 March 2014, ₹ 2933.31 Lacs), which includes contingent rents of ₹ 35.19 Lacs (31 March 2014, ₹ 51.89 Lacs). The Lease Agreements are further renewable after its expiry of initial term with a mutual consent, subject to revision in Lease rentals.

(₹ in Lacs)

	31 MARCH 2015 Amount	31 MARCH 2014 Amount
Lease Rent Payable not later than one year	2618.15	2709.82
Lease Rent Payable later than one year but not later than five years	6851.56	6805.51
Lease Rent Payable later than five years	2265.30	2458.04
Lease payments received (or receivable) recognised in the statement of profit and loss	20.48	1.10

As per our report of even date

For Uberoi Sood & Kapoor  
Chartered Accountants  
(Firm Registration No. 001462N)

S.D. Sharma  
(Partner)  
(Membership No. 80399)

New Delhi  
20th May, 2015

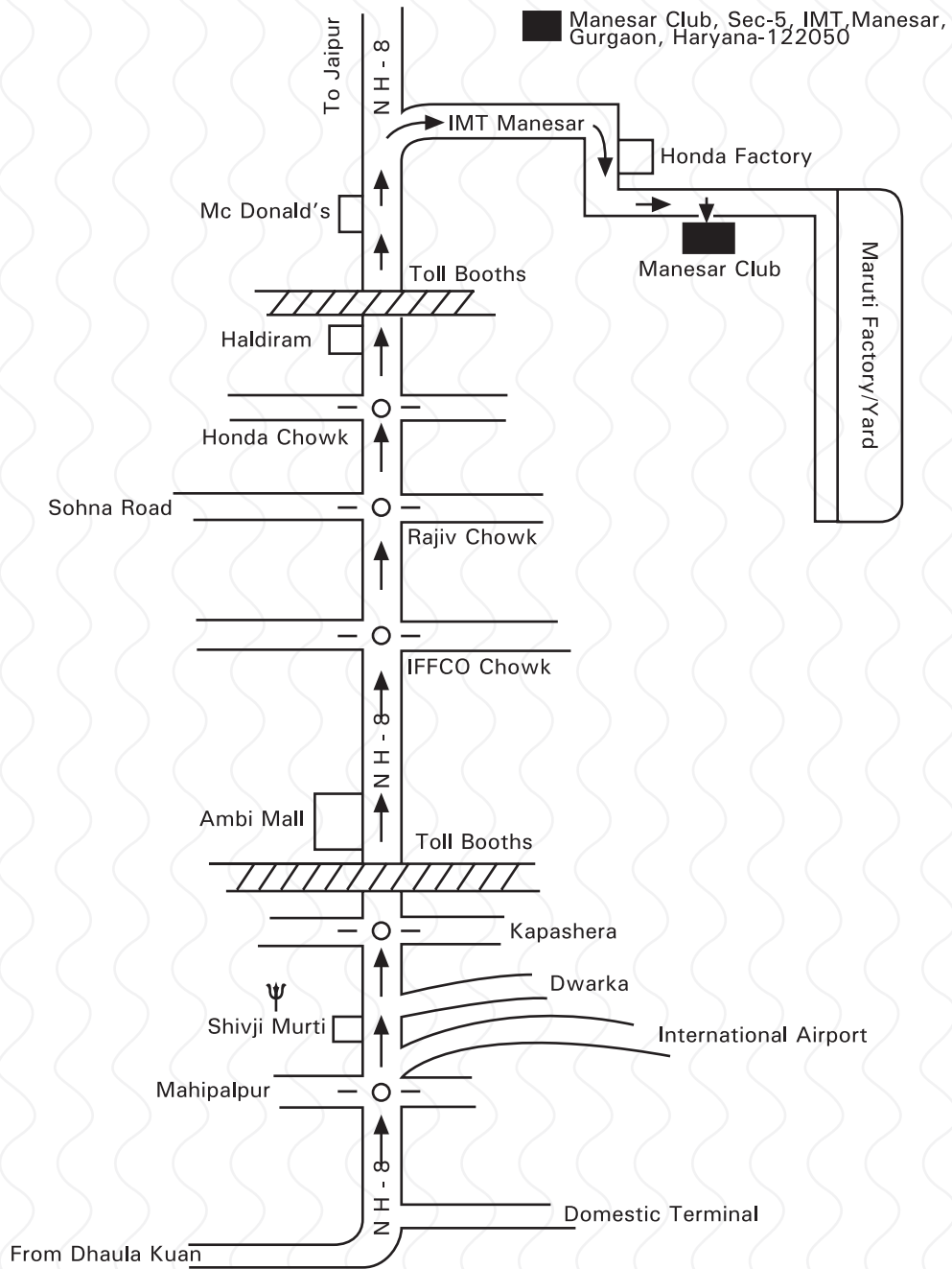
**For and on behalf of the Board**

Anil Moolchandani  
Chairman - cum - Managing Director

Pankaj Kamra  
Company Secretary

Dilip Seth  
Director (Finance) and CFO

## Route map to the venue of the AGM



# ARCHIES LIMITED

CIN: L36999HR1990PLC041175

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

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

Website : www.archiesonline.com / Email id : pankaj.kamra@archiesonline.com

## PROXY FORM

Name of the member (s) :

Registered address :

E-mail ID :

Folio No/ Client ID;

DP ID:

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

1. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
2. Name : ..... Address : .....  
E-mail Id : ..... Signature : ....., or failing him
3. Name : ..... Address : .....  
E-mail Id : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company to be held on Monday, the 28th day of September, 2015 at 11.00 a.m. at Manesar Club, Sec-5, IMT Manesar, Gurgaon, Haryana - 122050. India, and at any adjournment thereof in respect of such resolutions as are indicated below:

		Vote (Optional, see Note 2)		
Sl. No.	Resolution	For	Against	Abstain
1.	Adoption of Balance Sheet, Statement of profit & Loss, Report of the Directors and Auditors for the financial year ended March 31, 2015.			
2.	Approval of dividend on equity shares.			
3.	Appointment of Director in place of Mr. Dilip Seth who retires by rotation and being eligible offers himself for reappointment.			
4.	Re-appointment of M/s. Uberoi Sood & Kapoor, Chartered Accountants as Statutory Auditors of the Company.			
5.	Re-appointment of M/s. V D Rupani & Co, Chartered Accountants as Branch Auditor of the Mumbai, Pune & Goa Branches of the Company.			
6.	Re-appointment of M/s. Sanjiv Shah & Associates, Chartered Accountants as Branch Auditor of the Chennai Branch of the Company.			
7.	Re-appointment of M/s. Mehul V Chalishajar & Co, Chartered Accountants as Branch Auditor of the Ahmedabad Branch of the Company.			
8.	Re-appointment of M/s. Rajesh Chowdhury & Associates, Chartered Accountants as Branch Auditor of the Kolkatta & Bhubneshwar Branches of the Company.			
9.	Re-appointment of M/s. Rajesh Adityaraj & Co, Chartered Accountants as Branch Auditor of the Indore Branch of the Company.			
10.	Re-appointment of M/s. S Vijaykumar Chartered Accountants as Branch Auditor of the Bangalore Branch of the Company.			
11.	Re-appointment of M/s. Ashok Shashi & Co, Chartered Accountants as Branch Auditor of the Ludhiana Branch of the Company.			



		Vote (Optional, see Note 2)		
Sl. No.	Resolution	For	Against	Abstain
12.	Re-appointment of M/s. Pramod G Gupta & Associates, Chartered Accountants as Branch Auditor of the Chandigarh Branch of the Company.			
13.	Re-appointment of M/s. Suryanarayana & Suresh, Chartered Accountants as Branch Auditor of the Hyderabad Branch of the Company.			
14.	Re-appointment of M/s. Shetty & Thomas, Chartered Accountants as Branch Auditor of the Kochi Branch of the Company.			
15.	Payment of remuneration to Mr. Anil Moolchandani as Chairman and Managing Director of the Company for 3 years.			

Signed this ..... day of ..... 2015.

Signature of the shareholder .....

Signature of Proxy holder(s) .....

**Note :**

1. This form of proxy in order to be effective, should be duly completed and deposited at the office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'for', 'against' or 'abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. A proxy need not be a member of Company

Affix  
1 Rupee  
Revenue  
Stamp

# ARCHIES LIMITED

CIN: L36999HR1990PLC041175

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

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

Website : [www.archiesonline.com](http://www.archiesonline.com) / Email id : [pankaj.kamra@archiesonline.com](mailto:pankaj.kamra@archiesonline.com)

## ATTENDANCE SLIP

Twenty Fifth Annual General Meeting - September 28, 2015

Regd. Folio No./DP Client ID.

No. of Shares held

I certify that I am a member/proxy for the member of the Company.

I hereby record my presence at the TWENTY FIFTH ANNUAL GENERAL MEETING of the Company at Manesar Club, Sec-5, IMT Manesar, Gurgaon, Haryana - 122050, India, and at any adjournment thereof, at 11:00 a.m. on Monday, September 28, 2015.

Member's / Proxy's Name .....  
(In Block Letters)

Signature of Member / Proxy .....

- Notes :
1. Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall.
  2. Members are requested to bring their copies of the Annual Report at the meeting.
  3. **Please note that no gifts/company products will be distributed at the meeting.**



*The most special way to say you care*

ARCHIES LIMITED

CIN : L36999HR1990PLC041175

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

Email : [archies@archiesonline.com](mailto:archies@archiesonline.com)

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