ANNUAL REPORT 2015-2016



archies®

Board of Directors

Mr. Anil Moolchandani
Chairman and Managing Director

Mr. Dilip Seth
Director (Finance) and CFO

Mr. Sunil Behl
Director

Mr. Arun Singhal
Director

Mr. Prem Kumar Chadha
Director

Dr. Bhavna Chadha
Director

Mr. Deepak Thakkar
Director

Company Secretary
Mr. Gautam

Auditors
M/s Uberoi Sood & Kapoor
Chartered Accountants
New Delhi

Bankers
Citibank N.A.
ICICI Bank Ltd.
Indusind Bank Ltd.

Registered Office
191F, Sector-4, IMT Manesar, Gurgaon,
Haryana-122050

Corporate Office
C-113, Naraina Industrial Area Phase-1,
New Delhi-110028

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Desi
आयेजे

archies®





Desi आर्चीज़

Archies is all set to show its funky side with a "Desi twist" following the launch of its new sub brand.

Desi Archies is a fun concept store that curates the essence of Handicrafts from across India along with everyday utility products with a fun desi-Indian palette.

Experience under one roof the diverse & exotic Indian art forms with its unique designs, ethnic look and sophisticated style.
We aim to cater to the taste of the modern consumers looking for everyday products designed in an extraordinary way with a dash of Indian-ness!








archies®

FROM THE CHAIRMAN'S DESK

Dear Friends,

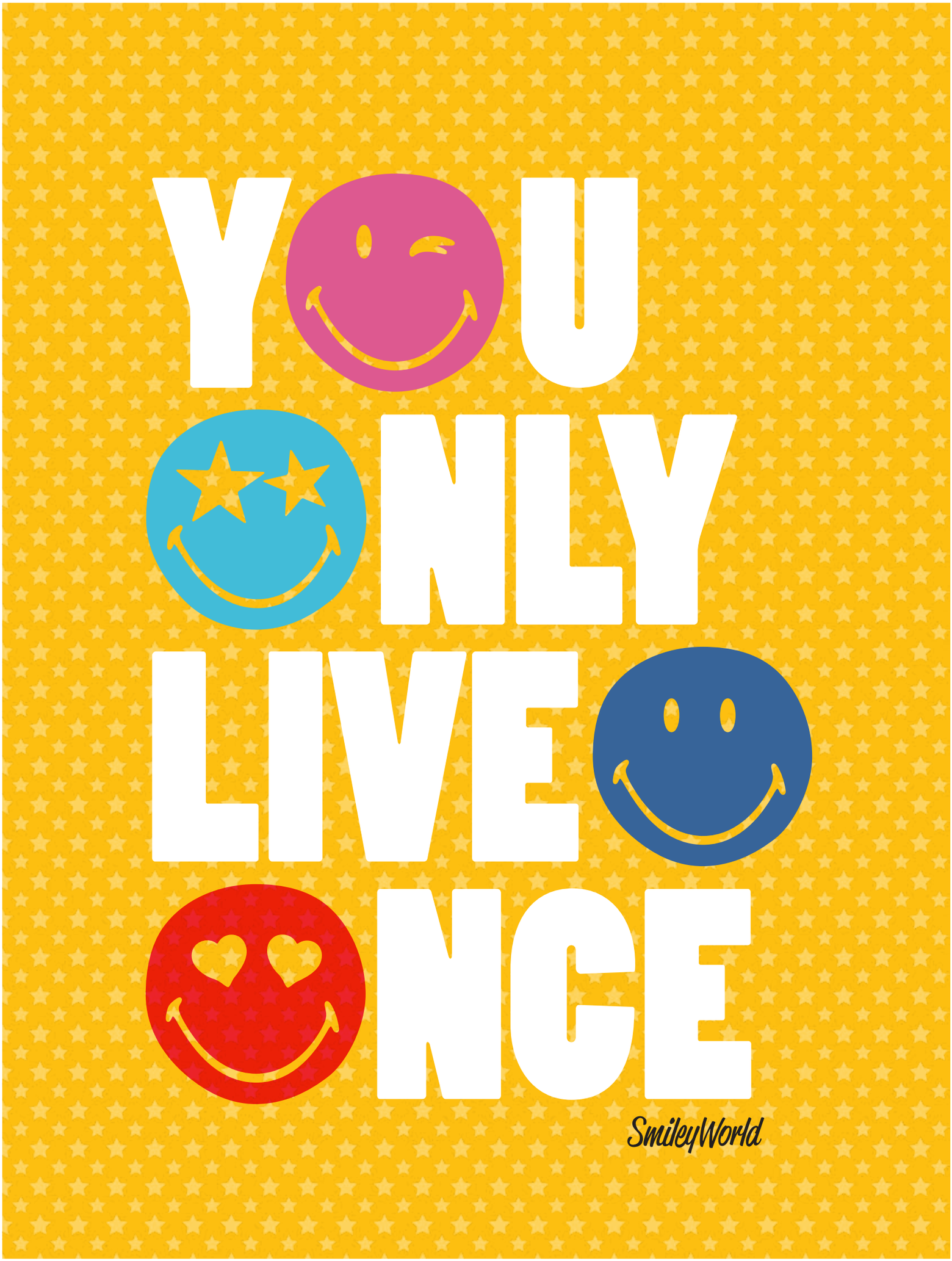
'The most special way to say you care', Archies has been diligent and true to its promise to care for your emotions, and of those you love. As I pen down my thoughts, I look back to the eventful year gone by, and feel proud. Indeed, it gives me immense pleasure to see Archies being recognized as a social expressions brand, but more than that I feel happy with the fact that we continue to live in the hearts of our customers.

Whilst we continue to find newer ways to foster relationships, we have also worked ardently to cater to the needs of our customers promptly. With our online portfolio www.archiesonline.com, we are reaching to millions of hearts not only across India, but also worldwide. The ever-expanding online portal and its tie up with other leading marketing places has made choosing and sending gifts simpler for people.

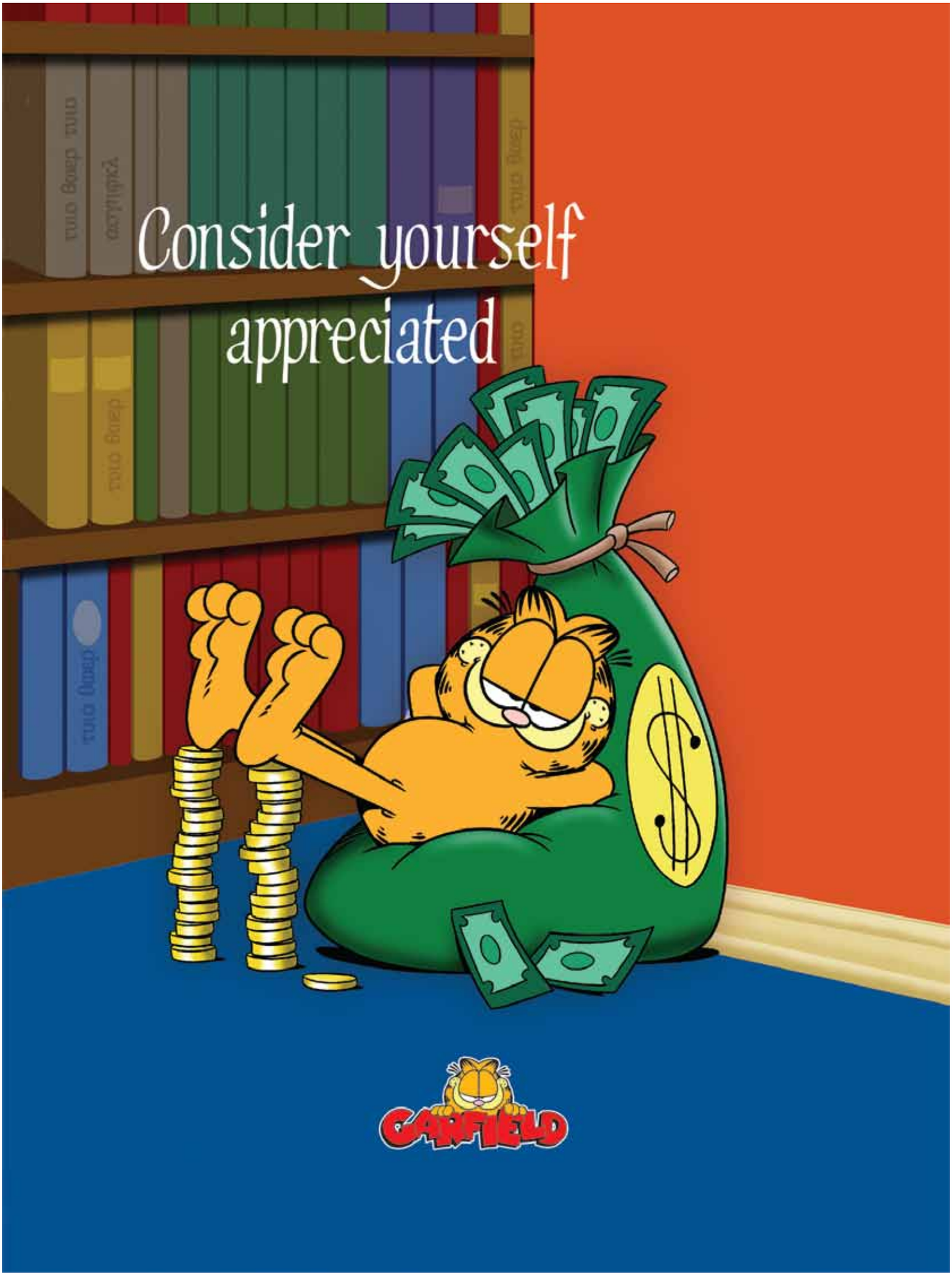
'Desi Archies' is yet another feather in Archies' cap. This fun yet affordable concept with desi Indian essence offers an exceptional collection for various corners of life. Fabricated keeping the contemporary themes in mind, our recently launched 'Desi' range is already a talk of the town. The youth oriented products infusing desiness to both gifting and home needs have tried to represent India in the most distinct way.

By continuing to be associated with brands like Hallmark, Smiley World, Garfield, Snoopy, Disney etc., Archies has also spread its wings globally. Collaborating with these renowned brands is just another step to help people express adorably through us. This year's annual report is another milestone for us, and I hope we continue to churn our beautiful reasons for people to smile.

Mr. Anil Moolchandani
Chairman and Managing Director
Archies Limited


YOU
ONLY
LIVE
ONCE
SmileyWorld


When it
comes to
FRIENDS
like
you...


Consider yourself
appreciated
GARFIELD

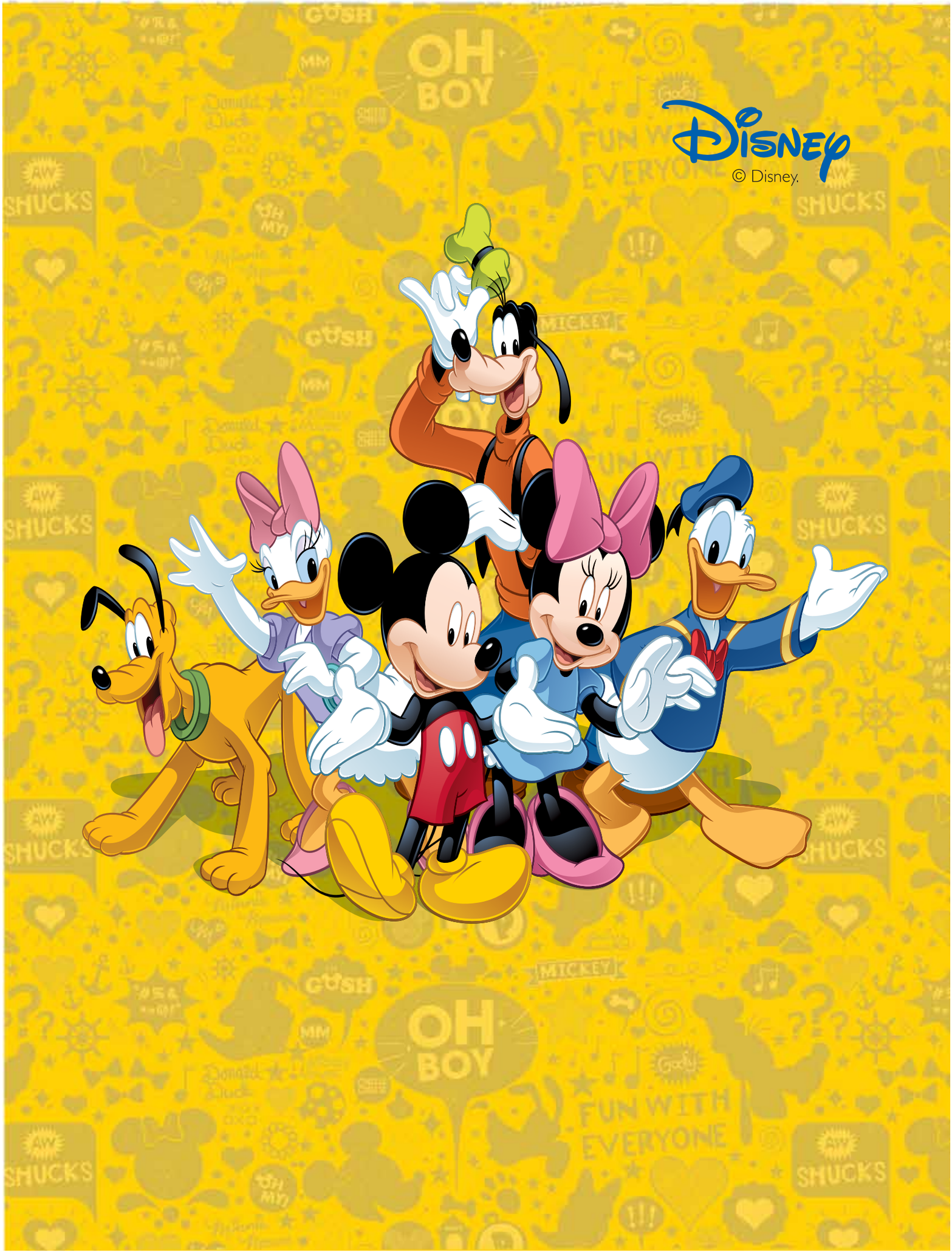

Disney
© Disney.


Exhibit your love for your favourite Disney characters
Introducing
Archies Disney Collection

Year At A Glance

(₹. in Lacs)

S. No.	Particulars	2015-2016	2014-2015	2013-2014
1.	Total Turnover	**19472.93**	19568.80	19629.55
2.	Other Income	**211.30**	166.14	93.04
3.	Total Expenditure	**18616.90**	18283.71	18264.84
4.	Profit before Depreciation, Interest and Tax (PBDIT)	**1067.33**	1451.23	1457.75
5.	PBDIT as a % of Total Turnover	**5.48**	7.42	7.43
6.	Interest	**188.11**	179.54	177.29
7.	Depreciation	**461.12**	639.77	510.45
8.	Profit Before Tax (PBT)	**418.10**	631.92	770.01
9.	PBT as a % of Total Turnover	**2.15**	3.23	3.92
10.	Extraordinary Item	**0.00**	0.00	0.00
11.	Profit before tax after extraordinary item	**418.10**	631.92	770.01
12.	Provision for Taxation	**128.83**	219.68	245.77
13.	Profit after Tax (PAT)	**289.27**	412.24	524.24
14.	PAT as a % of Total Turnover	**1.49**	2.11	2.67
15.	Paid up Equity Share Capital	**675.62**	675.62	675.62
16.	Reserves (excluding revaluation reserves)	**10396.04**	10129.85	10744.64
17.	Net Worth	**11071.66**	10805.47	11420.26
18.	Earning Per Share of Face value ₹ 2 (in ₹)	**0.86**	1.22	1.55
19.	Book Value Per Share of Face value ₹ 2 (in ₹)	**32.78**	31.99	33.81
20.	Dividend (%)	**NIL**	15	20
21.	Amount of Dividend	**0.00**	101.34	135.12
22.	Return on Average Net Worth (%)	**2.64**	3.71	4.66
23.	Return on Average Capital Employed (%)	**5.04**	6.83	7.94

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 : gautam.verma@archiesonline.com

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the members of Archies Limited will be held at Manesar Club, Sector-5, IMT Manesar Gurgaon Haryana 122050, on Wednesday, the 28th day of September, 2016 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, 2016 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 appoint a Director in place of Mr. Deepak Thakkar (DIN 00888165) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and subject to all the applicable laws and regulations thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, and pursuant to the resolution passed by members at the AGM held on 23rd September 2014, the appointment of M/s. Uberoi Sood & Kapoor (FRN-001462N), Chartered Accountants, New Delhi as the Auditors of the Company to hold office till the conclusion of 27th Annual General Meeting 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

4. 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.

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. 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.

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. 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.

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. 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.

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 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.

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. 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.

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. 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.

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. 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.

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. 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.

13. APPOINTMENT OF BRANCH AUDITOR OF THE COMPANY

To consider and, if thought fit, to pass the following resolution as an 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, the appointment of M/s.Walia & Walia, (FRN 002896N) Chartered Accountants, as the Branch Auditors of Ludhiana branch to hold the office from the conclusion of this Annual General Meeting (AGM) to the conclusion of Thirty First Annual General Meeting of the Company (subject to ratification of the appointment by the members of the Company at every Annual General Meeting held after this Annual General Meeting) and that the Board of Directors of the Company be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors."

14. REAPPOINTMENT OF MR. DEEPAK THAKKAR AS NON-EXECUTIVE DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of the Section-152, 160, 161and all other applicable provisions, if any, of the Companies Act, 2013and rules made thereunder, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and subject to such other necessary approvals, consent or provisions as may be required and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, Mr. Deepak Thakkar (00888165) be and is hereby re-appointed as a Non-Executive Director, liable to retire by rotation, and will hold the office of Director, for 1(one) year with effect from the date of the meeting."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such 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."

15. REAPPOINTMENT OF MR. DILIP SETH AS DIRECTOR (FINANCE) & CFO OF THE COMPANY

To consider and, if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196,197, 198, 203 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, or any other provisions or rules, and any amendments and modifications thereof, (including any statutory modification or re-enactments thereof for the time being in force) and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, conset of the Company be and hereby accorded for the re-appointment of Mr. Dilip Seth (DIN-06640936) as the Whole Time Director [Director (Finance) & CFO] of the Company for a period of 1(one) year w.e.f. 06.08.2016 on the terms and conditions including remuneration as specified in the Explanatory Statement annexed to this Notice of AGM with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013.

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits, Mr. Dilip Seth shall be paid the same remuneration and perquisites as minimum remuneration as set out in the explanatory statement hereto, subject to the ceiling as specified under the Section II of part II of Schedule V of the Companies Act, 2013 having regard to the effective capital of the company."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby authorized to do all such 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."

16. REAPPOINTMENT OF DR. BHAVNA CHADHA AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modifications, the following resolution as Ordinary Resolution:

"RESOLVED THAT on the recommendation of the Nomination & Remuneration committee and pursuant to the requirements of provisions of Section 149,150, 152, 160, 161 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, Dr. Bhavna Chadha (DIN 06957473) be and is hereby re-appointed as a (Independent Non-Executive), Woman Director, not liable to retire by rotation with effect from 06/08/2016and will hold office of Director, for 3 (Three) consecutive years from the date of the meeting."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company 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."

17. REAPPOINTMENT OF MR. ANIL MOOLCHANDANI AS CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 196,197, 198, 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and all other applicable provisions, if any, of the Companies Act 2013, or any other provisions or rules, (including any statutory modification (s) or re-enactment thereof, time being in force) and subject to such other necessary approvals, consent and permissions as may be required and in respect of whom a notice under section 160 of the Companies Act, 2013, has been received from a member proposing his candidature for the office of Director, the consent of Company be and is hereby accorded for the re-appointment and remuneration to be paid to Mr. Anil Moolchandani (DIN 00022693) as Chairman and Managing Director of the Company for a period of 1(one) year with effect from 30.06.2016 on the terms and conditions including remuneration as specified in the Explanatory Statement annexed to this Notice of AGM with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits, Mr. Anil Moolchandani shall be paid the same remuneration and perquisites as minimum remuneration as set out in the explanatory statement hereto, subject to the ceiling as specified under Section II of Part II of Schedule V of the Companies Act, 2013 having regard to the effective capital of the company."

"RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company 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."

18. APPOINTMENT OF MR. JAGDISH MOOLCHANDANI AS DIRECTOR (EXECUTIVE) OF THE COMPANY

To consider and, if thought fit, to pass, with or without modifications the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Rules made thereunder, Mr. Jagdish Moolchandani who was appointed as Additional Director of the Company by the Board of Directors with effect from August 10, 2016 and who holds office until the date of the Annual General Meeting (AGM), in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Jagdish Moolchandani for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

"RESOLVED THAT pursuant to the provisions of sections 161,197, 198 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and all other applicable provisions, if any, of the Companies Act 2013, or any other provisions or rules and any amendement or modifications thereof (including any statutory modification (s) or re-enactment thereof, time being in force), the consent of the Company be and is hereby accorded for appointment of Mr. Jagdish Moolchandani (DIN 00016718) as Director (Executive) of the Company for a period of 3 (Three) years with effect from 10th August 2016, subject to the approval of the shareholders of the Company in the ensuing Annual General Meeting (AGM), on the terms and conditions including remuneration as specified in the explanatory statement annexed to this notice of AGM with the liberty to the Board of Directors (hereinafter referred to as "Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Company) to alter and vary the terms and conditions not exceeding the limits specified under Section 197, Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits, Mr. Jagdish Moolchandani shall be paid the same remuneration and perquisites as minimum remuneration as set out in explanatory statement hereto, subject to ceiling as specified under section II of Part II of Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company."

"RESOLVED FURTHER THAT the Board of Directors and Company Secretary of the Company be and hereby authorized to do all such 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

Gautam
Company Secretary
M. NO. : A30581

Place : New Delhi
Date : August 09, 2016

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 : archies@archiesonline.com

NOTES:-

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF IN THE MEETING INSTEAD OF HIMSELF/HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF NOT EXCEEDING 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRING VOTING RIGHTS.
3. CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES TO ATTEND THE MEETING ARE REQUESTED TO SEND A CERTIFIED COPY OF THE BOARD RESOLUTION TO THE COMPANY, AUTHORIZING THEIR REPRESENTATIVE TO ATTEND AND VOTE ON THEIR BEHALF AT THE MEETING.
4. The proxy, in order to be effective, must be deposited at the Corporate Office of the Company, C-113, Naraina Industrial Area, Phase-I, New Delhi-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.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
7. The Register of Contracts or Arrangement in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 2016 to 28th September, 2016 (both days inclusive) in connection with the AGM.
9. Members holding shares in physical form are advised to notify to the Registrar and Share Transfer Agent of the company of any change in their addresses immediately.
10. Members holding shares in De-mat form are advised to notify to their respective Depository Participant of any changes in their addresses immediately.
11. Members who are yet to register their email addresses with the Company or with the Depository are once again requested to register the same. The form for registration of email addresses with Company can be downloaded from the Company's website www.archiesonline.com.
12. Members/Proxies/Authorised Representative are requested to produce the attendance slip, duly completed and signed, for admission to the meeting hall.
13. 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/redeemed 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.
14. Members may also note that the Notice of 26th AGM and the Annual Report of the Company be circulated to the Members of the Company, will be made available on the Company's website www.archiesonline.com.
15. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment / re-appointment at the AGM, is furnished as annexure to the AGM Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
16. All documents referred to in the Notice will be available for inspection at the Company's registered office during normal business hours on working days upto the date of AGM.

17. **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 NSP & Associates as the Scrutinizer for this purpose.

II. That the facility for voting, through Ballot paper shall also be made available at the meeting & members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.

III. That the Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

IV. **E-Voting Instructions**

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

(i) The voting period begins at 9.00 A.M on 25th September, 2016 and ends on 5.00 PM on 27th September, 2016. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2016, 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

(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 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	**Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)** • **Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendence Slip particulars in the PAN field.**
Dividend Bank Details OR Date of Birth (DOB)	**Enter the Dividend Bank Details as Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.** • **If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).**

(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 & Custodians

- Non-Individual Shareholders (i.e other than Individuals, HUF, NRI etc.) and Custodian are required to log on to 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
- After receiving the login details a compliance user should be created using the 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 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 shares 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, 2016 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 under help section or write an email to 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, 2016.

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 and on the website of CDSL within 48 hours of the conclusion of the AGM of the Company and communicated to the Stock Exchanges.

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

Name of Director	Mr. Deepak Thakkar	Mr. Dilip Seth	Dr. Bhavna Chadha	Mr. Anil Moolchandani	Mr. Jagdish Moolchandani
Age	41 Years	49 Years	42 Years	63 Years	62 Years
Expertise In Specific functional areas	Over 22 years of experience at various levels in pharmaceutical & Information Technology (IT) industry, has worked with various renowned companies across the industry like Airtel, Microsoft Nokia, Cisco, Somany, Jaquar, Ansal API, United Colors of Benetton, etc.	Over 25 years' of experience in field of Finance, Taxation, Accounts.	Over 18 years of experience in education on various subjects like retail operations, communication skills, consumer behavior etc. in renowned institutions like Pearl Academy of Fashion, Sandmere Practice south London, UK etc.	Over 40 years' of Management experience in the Social Expression Industry & one of the promoters of the Company.	Over 40 years' of Management experience in the Social Expression Industry & one of the promoters of the Company.
Qualifications	MBA from YMCA New Delhi	FCA	PHD & Masters in Psychology	B.A.	B.A.
List of other Companies in which Directorships held	Finesse Interactive Solution Pvt. Ltd.	Nil	Nil	Empire Greeting & Gifts Pvt. Ltd.	Nil
Chairman/ Member of committees of the Board of other Companies in Which he is a director	Nil	Nil	Nil	Nil	Nil
Shareholding in the Company (For Non-Executive Directors)	Nil	-	Nil	-	-
Relationship between Directors inter-se	N.A.	N.A.	N.A.	Brother of Mr. Jagdish Moolchandani; one of the promoters of the Company	Brother of Mr. Anil Moolchandani (Chairman and Managing Director of the Company)

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

Item No. 4-12

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, 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 4-12 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. 13

The resolution is moved in conformity of provisions of Section 143(8) read with the section 139 and 141 of the Companies Act, 2013 for the appointment of Branch Auditors for the audit of the accounts of the Company's branch office at Ludhiana to appoint the Branch Auditors in Item No. 13 for audit of accounts of respective branch and to hold office from the conclusion of this Annual General Meeting upto the conclusion of Thirty First Annual General Meeting (subject to the ratification of the appointment by the members of the Company at every Annual General Meeting) 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 (KMP) and their relatives is interested or have any concern in the resolution.

Item No. 14

The Board of Directors of the Company at its meeting held on 23rd May, 2016 recommends for the approval of members, the re-appointment of Mr. Deepak Thakkar (DIN 00888165) as non executive Director of the Company, in terms of relevant provisions of Companies Act 2013 or its rules or any amendment/s thereto or modification/s thereof as set out in the Resolution relating to his appointment.

Mr. Deepak Thakkar is a MBA from YMCA New Delhi & B.Com from Delhi University. He has more than 22 years of rich experience at various levels in pharmaceutical & Information Technology (IT) industry. He has set up his own company in 2005 and has worked with various renowned companies across the industry like Airtel, Microsoft, Nokia, Cisco, Somany, Jaquar, Ansal API, United Colours of Benetton, etc.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the Candidature of Mr. Deepak Thakkar for the office of Director of the Company.

Mr. Deepak Thakkar, is interested in the resolutions set out at Item No. 14 of the Notice. No other Director, key managerial personnel or their relatives, is interested or have any concern in the resolution.

The Board recommends the resolution set forth in Item No. 14 for your approval

Item No. 15

The Board of Directors at its meeting held on August 07, 2013 appointed Mr. Dilip Seth as Additional Director of the Company pursuant to relevant provisions of the Companies Act, for a period of 3 (three) years. Further in its meeting held on 23rd May, 2016 he was re-appointed as Director (Finance) and CFO of the Company.

Mr. Dilip Seth was re-appointed as Whole Time Director [Director (Finance) & CFO] of the Company, for a further period of 1 (one) year w.e.f 06.08.2016. The appointment & remuneration of Mr. Dilip Seth as Whole Time Director (Director [Finance]& CFO) of the Company as recommended by the Nomination and Remuneration committee and Audit committee pursuant to the provisions of sections 196,197, 198, 203 of the Companies Act 2013read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Articles of Association of the Company or any other provisions or rules, and any amendments and modifications thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the Candidature of Mr. Dilip Seth for the office of Director.

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

The remuneration as set out below was approved by the Nomination and Remuneration Committee, Audit Committee and the Board of Directors at their meeting held on May 23, 2016.

The Board of Directors and Nomination and Remuneration Committee recommended for re-appointment of Mr. Dilip Seth on remuneration keeping in view the responsibilities shouldered by him and in line with the remuneration levels in the industry. The terms and conditions of his re-appointment are as under:-

1. **Term:** 6th August 2016 to 5th August 2017
2. **Nature of Duties:** Mr. Dilip Seth shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.
3. **Basic Salary:** Rs.1,50,000/- per month with the authority to the Board of Directors to revise the basic salary from time to time taking into account of the performance of the Company subject however to the ceiling of Rs. 2,25,000/- per month.
4. **Perquisites:** In addition to the basic salary he will be entitled to other perquisites as per agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to provident fund, superannuation fund, gratuity, earned leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.

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

The appointment and other service terms will be subject to the relevant provision of the Companies Act, 2013 and as amended from time to time.

All other terms and conditions of the existing appointment shall be governed by the agreement and Company rules and policies.

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		
	2015-16	2014-15	2013-14
Total Turnover	**19472.93**	19568.80	19629.55
Profit before tax	**418.10**	631.92	770.01
Profit after tax	**289.27**	412.24	524.24

(5) Export performance and net foreign exchange collaborations. The company has foreign exchange earning of ₹ 228.23 lacs during the year 2015-16 from exports

(6) Foreign investments or collaborations, if any. : NIL

II. INFORMATION ABOUT THE APPOINTEES

1. Background Details

Mr. Dilip Seth is the Director (Finance) & CFO of the Company.

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

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

Names	2015-16	2014-15	2013-14
Mr. Dilip Seth	27.26	24.99	16.43

3. Recognition or awards

Mr. Dilip Seth has over 25 years of experience in the Field of Finance,Tax and Accounts.

4. Job Profile and his suitability

Mr. Dilip Seth, Director (Finance) & CFO of the Company has been entrusted with the substantial powers of the management of the company and also plays a major role in providing strategic inputs and guidance for the growth 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. Dilip Seth is holding 5375 shares, i.e. (0.015%) of equity share capital of the Company.

III. OTHER INFORMATION:

1. Reasons of loss or inadequacy of profit

The performance of the Company in the last three 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. Steps taken or proposed to be taken for improvement

The Company will remain committed to generating 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 2016-17.

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. Dilip Seth stated above is subject to the approval of members.

Expect Mr. Dilip Seth, none of the Directors or KMP of the Company nor their relatives is concerned or interested in the resolution.

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

Item No. 16

The Board of Directors of the Company at its meeting held on 23rd May 2016 recommends for the approval of members of the Company the re-appointment of Dr. Bhavna Chadha as an independent Director of the Company, in terms of Section 149, 150, 152, 160, 161 read with the Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 Article of Association of the Company and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 or any amendment/s thereto or modification/s thereof as set out in the Resolution relating to her appointment.

Dr. Bhavna Chadha is a PHD from Delhi University and has done her Masters and Bachelors in Psychology from Delhi University. She has more than 18 years of rich experience at various levels in various educational institutions. She has been associated with various organizations like Pearl Academy of Fashion New Delhi, Sandmere Practice South London UK, Raheja Nursing Home etc. and has been a guest lecturer in University of Delhi, IMT Gaziabad, Corporate consultant to Training Departments of NTPC, BHEL, IBM etc.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the Candidature of Dr. Bhavna Chadha for the office of Director.

The Company has also received declarations from Dr. Bhavna Chadha that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act, clause 49 of the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Dr. Bhavna Chadha, is interested in the resolutions set out at Item No. 16 of the Notice. No other Director, key managerial personnel (KMP) or their relatives, is interested or have any concern in the resolution.

The Board recommends the resolution set forth in Item No. 16 for your approval.

Item No. 17

The Board of Directors in its meeting held on 23rd May, 2016 re-appointed Mr. Anil Moolchandani as Chairman and Managing Director of the Company for a further period of 1 (one) year, as his tenure was ceasing on June 30,2016.

Mr. Anil Moolchandani was re-appointed as Chairman and Managing Director of the Company, for a further period of 1 (one) year w.e.f. 30.06.2016. The appointment & remuneration of Mr. Anil Moolchandani as Chairman and Managing Director of the Company as recommended by the Nomination and Remuneration committee and Audit committee pursuant to the provisions of sections 196,197, 198, 203 of the Companies Act 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013,Articles of Association of the Company or any other provisions or rules, and any amendments and modifications thereof and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the Candidature of Mr. Anil Moolchandani for the office of Director.

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

The remuneration as set out below was approved by the Nomination and Remuneration Committee, Audit Committee and the Board of Directors at their meeting held on May 23, 2016.

The Board of Directors and Nomination Remuneration Committee recommended for re-appointment of Mr. Anil Moolchandani on remuneration keeping in view the responsibilities shouldered by him and in line with the remuneration levels in the industry. The terms and conditions of his re- appointment are as under:-

1. Term: 30th June 2016 to 29th June 2017

2. Nature of Duties : Mr. Anil Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board of Directors from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

3. Basic Salary : Rs. 2,75,000/- p.m. with the authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company subject however to the ceiling of Rs. 4,00,000/- per month.

4. Perquisites : In addition to the basic salary he will be entitled to other perquisites as per the existing agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to Provident Fund, Superannuation Fund, Gratuity, earned leaves and encashment of leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.

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

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

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

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		
	2015-16	2014-15	2013-14
Total Turnover	**19472.93**	19568.80	19629.55
Profit before tax	**418.10**	631.92	770.01
Profit after tax	**289.27**	412.24	524.24

(5) Export performance and net foreign exchange collaborations. : The company has foreign exchange earning of Rs 228.23 lacs during the year 2015-16 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 its inception and under his dynamic leadership the Company has rised 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	2015-16	2014-15	2013-14
Mr. Anil Moolchandani	36.26	36.81	36.15

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 to the Company

5. Remuneration Proposed

In case of inadequacy of profits, minimum remuneration as stated here in above.

8. 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.

9. 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 three 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. Steps taken or proposed to be taken for improvement

The Company will remain committed to generating 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 2016-17.

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. 17 for approval.

Item no. 18

The Board of Directors in its meeting held on 09th August, 2016 appointed Mr. Jagdish Moolchandani as an Additional Director of the Company w.e.f. 10th August, 2016, pursuant to the relevant provision of the Companies Act, 2013 and designate him as Director (Executive) of the Company.

Pursuant to the provision of Section 161 of the Companies Act 2013, Mr. Jagdish Moolchandani will hold office upto the ensuing Annual General Meeting as recommended by the Nomination and Remuneration Committee and Audit Committee and pursuant to the provisions of sections 161,197, 198 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Articles of Association of the Company or any other provisions or rules, and any amendments and modifications thereof and SEBI (Listing Obligations and Disclosures Requirements), Regulations 2015.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act 2013 from a member along with a deposit of ₹ 1,00,000/- proposing the Candidature of Mr. Jagdish Moolchandani for the office of Director.

Mr. Jagdish Moolchandani satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. Mr. Jagdish Moolchandani is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

The remuneration as set out below was approved by the Nomination and Remuneration Committee and the Board of Directors at their meeting held on August 09, 2016. The consent of the appointment as a Director has been received by Mr. Jagdish Moolchandani.

The Board of Directors and Nomination Remuneration Committee recommended for appointment of Mr. Jagdish Moolchandani on remuneration keeping in view the responsibilities shouldered by him and in line with the remuneration levels in the industry. The terms and conditions of his appointment are as under:-

1. Term : 10th August 2016 to 9th August 2019

2. Nature of Duties : Mr. Jagdish Moolchandani shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Managing Director and/or the Board from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company.

3. Basic Salary : Rs. 2,50,000/- p.m. with the authority to the Board of Directors to revise the basic salary from time to time taking into account the performance of the Company subject however to the ceiling of Rs. 4,00,000/- per month.

4. Perquisites : In addition to the basic salary he will be entitled to other perquisites as per the existing agreement (restricted to an amount not exceeding 60% of basic salary) such as housing, gas, electricity, water, medical reimbursement, leave travel concession, club fees, personal medical/accident insurance, contribution to Provident Fund, Suprannuation Fund, Gratutity, earned leaves and encashment of leaves and any other benefits, facilities, allowances and expenses as may be allowed as per the rules of the company and subject to the provisions of the Income Tax Act, 1961 and rules made thereunder.

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

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

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.

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		
	2015-16	2014-15	2013-14
Total Turnover	**19472.93**	19568.80	19629.55
Profit before tax	**418.10**	631.92	770.01
Profit after tax	**289.27**	412.24	524.24

(5) Export performance and net foreign exchange collaborations. : The company has foreign exchange earning of Rs 228.23 lacs during the year 2015-16 from exports.

(6) Foreign investments or collaborations, if any. : NIL

II INFORMATION ABOUT THE APPOINTEE

1. Background Details

Mr. Jagdish Moolchandani is one of the promoters of the Company.

He has been associated with the Company since inception and under his dynamic leadership the Company has rised 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	2015-16	2014-15	2013-14	
Mr. Jagdish Moolchandani	24.05	24.51	10.55*	3.82**

* Mr. Jagdish Moolchandani was Executive Director for a part of Financial Year 2013-2014, for which he has received an amount of ₹10.55 Lacs as remuneration from the Company.

** Mr. Jagdish Moolchandani was appointed as Chief Operating Officer (COO) of the Company w.e.f. 17-07-2013 and the remuneration received by him as Chief Operating Officer of the Company for the part of financial year 2013-2014 was ₹ 3.82 Lacs. He resigned from the post of COO w.e.f. 09.08.2016.

3. Recognition or awards

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

4. Job Profile and his suitability

Mr. Jagdish Moolchandani, Director (Executive) 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 to 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. Jagdish Moolchandani is holding more than 12% 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 three 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. Steps taken or proposed to be taken for improvement

The Company will remain committed to generating 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 2016-17.

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. Jagdish Moolchandani as stated above is subject to the approval of the Members.

Except Mr. Jagdish Moolchandani, Mr. Anil Moolchandani and their 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. 18 for approval.

By Order of the Board

Gautam
Company Secretary
M. NO. : A30581

Place : New Delhi
Date : August 09, 2016

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 : archies@archiesonline.com

DIRECTORS REPORT

To The Members,

Your Directors have great pleasure in presenting Twenty Sixth Annual Report of the Company together with the Audited Annual Accounts for the year ended 31st March 2016.

PERFORMANCE REVIEW

During the year under review your Company recorded a turnover of ₹ **19472.93** lacs as compared to ₹ **19568.80** lacs in the previous year showing a decrease of **0.49%.** The net profit before tax stood at ₹ **418.10** lacs in the current financial year as against ₹ **631.92** lacs in the previous financial year, showing a decrease of **33.84%.**

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 ₹ **12735.26** lacs as compared to ₹ **12172.28** lacs previous year, up by **4.63%.**
- The Turnover of the Greeting card segment is ₹ **3736.41** lacs as compared to ₹ **4207.05** lacs previous year, down by **11.19%.**
- The stationery sale is ₹ **2861.71** lacs as compared to ₹ **3051.73** lacs in the previous year, down by **6.23%.**

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

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED

(₹ in Lacs)

	31 MARCH 2016	31 MARCH 2015
Income from Operations	**19472.93**	19568.80
Other Income	**211.30**	166.14
Total Expenditure	**18531.63**	18166.53
Operating profit (PBDIT)	**1152.60**	1568.41
Interest & finance charge	**273.38**	296.72
Depreciation	**461.12**	639.77
Profit before Tax (PBT)	**418.10**	631.92
Provision for taxation		
Current	**132.59**	218.02
Deferred	**(3.76)**	1.66
Profit after Tax	**289.27**	412.24
APPROPRIATIONS		
Transfer to General Reserve	**NIL**	100.00
Final Dividend (Proposed)	**NIL**	101.34
Tax on Proposed Dividend	**NIL**	20.26
Provision for Corporate Social Responsibility Activities	**17.59**	21.41
Profit Carried Forward	**271.68**	169.23

DIVIDEND

In view of the inadequate profit, during the year and need to conserve resources for the expansion of the business of your Company, Board expresses its inability to declare any dividend for the financial year 2015-2016.

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 8 retail stores. As on 31st March 2016 the numbers of company owned / managed stores were 229.

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 of the Company during the year 2016-17.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, a separate section on Corporate Governance and Management Discussion and Analysis Report together with a certificate from the Company's Auditors confirming compliance is set out in the annexure forming part of 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(3) & (5) of the Companies Act, 2013:

(i) That in the preparation of the annual accounts for the year ended 31st March 2016, 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, 2016 and of the profit and loss of the Company for that period.

(iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the annual accounts have been prepared on a going concern basis;

(v) That the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS

Pursuant to the provisions of section 152 of the Companies Act, 2013, 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. Deepak Thakkar retires by rotation and being eligible, has offered to be re-appointed at the ensuing Annual General Meeting.

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 and as per SEBI (Listing obligations and Disclosure Requirements), Regulations 2015 with the Stock Exchanges.

The Board of Directors in its meeting held on 23rd May 2016, approved the re-appointments of following directors as under:-

a) Mr. Deepak Thakkar was re-appointed as Non-Executive Director of the Company for a further period of 1 (one) year with effect 06.08.2016.

b) Mr. Dilip Seth was re-appointed as Whole Time Director (Director Finance & CFO) of the Company for a further period of 1 (one) year with effect 06.08.2016.

c) Dr. Bhavna Chadha was re-appointed as Independent Woman Director(Non Executive), of the Company for a further period of 3 (three) years with effect 06.08.2016.

d) Mr. Anil Moolchandani was re-appointed as Chairman and Managing Director of the Company for a further period of 1 (one) year with effect 30.06.2016.

***** Mr. Jagdish Moolchandani was appointed as Director (Executive) of the Company w.e.f. 10th August 2016 for a period of 3 (three) years.

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**	Chief Executive Officer
4.	Mr. Seshan Ranganathan*** (appointed as Chief Executive Officer w.e.f. 09.08.2016)	Chief Executive Officer
5.	Mr. Vikas Kumar Tak (Resigned from the post of Company Secretary w.e.f. 20.05.2015)	Company Secretary
6.	Mr. Pankaj Kamra (Resigned from the post of Company Secretary w.e.f. 09.02.2016)	Company Secretary
7.	Mr. Gautam (appointed as Company Secretary w.e.f. 09.02.2016)	Company Secretary

* Mr. Dilip Seth, Director (Finance) & CFO and Mr. Anil Moolchandani Chairman and Managing Director of the Company were re-appointed for a further period of 1 (one) year by the Board of Directors of the Company, in its meeting held on 23.05.2016. Your approval for their re-appointment has been sought in the Notice convening the forthcoming Annual General Meeting of the Company.

**Mr. Vijayant Chhabra was appointed as Chief Executive Officer (CEO) of the Company for a further period of 1(one) year with effect 23.05.2016, by the Board of Directors of the Company. Further he resignised as the CEO of the Company w.e.f. from 08.08.2016.

*** The Board of Directors appointed Mr. Seshan Ranganathan as Chief Executive Officer of the Company in its Meeting held on 09.08.2016.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, clause 49 of the Listing agreement, and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Board, in consultation with its Nomination & Remuneration Committee has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committee and Individual Directors, including Independent Directors.

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

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

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

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

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

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

SUCCESSION PLANNING

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

NUMBER OF MEETINGS OF THE BOARD

The details of the number of meetings of the Board held during the Financial Year 2015-16 forms part of the Corporate Governance Report.

AUDITORS

M/s. Uberoi Sood and Kapoor, Chartered Accountants (FRN 001462N), 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 2016-17.

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

In terms of section 134 of the Companies Act 2013 ans SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has an Internal Financial Control system in relation to the policies and procedures adopted by the Company. The Company has in place adequate internal financial 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 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 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

The Nomination and Remuneration Policy is available on our website at the link- http://www.archiesonline.com/htdocs/nomination-remuneration.pdf

CORPORATE SOCIAL RESPONSIBILTY

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 available on our website at the link, http://www.archiesonline.com/htdocs/csr.pdf

During the year, the Company has spent ₹ 32,00,000/- on CSR activities. The Annual Report on CSR activities is annexed herewith as Annexure - F.

FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

All new Independent Directors inducted into the Board as well as the existing Independent Directors are to attend an orientation programme to be updated in relation to the affairs of the Company, its functioning and challenges. The details of familiarization programme imparted to independent directors is available on our website at the link http://www.archiesonline.com/htdocs/familarization.pdf

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Board at its meeting, held on 16th May, 2014, adopted a Whistle Blower Policy/Vigil Mechanism in accordance with the provisions of the Companies Act 2013 and as per 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, 2016 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 : August 09, 2016

Anil Moolchandani
Chairman and Managing Director
(DIN - 00022693)

ANNEXURE 'A' TO THE DIRECTORS' REPORT

A) Conservation of Energy

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

Measures Taken for Improvement

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

1. All the Store managers are regularly made aware about the energy consumption of their store based on their connected load and trained to make maximum utilization of energy and minimize wastages.
2. Controlled the energy consumption of Air conditioners by optimizing the temperature inside the stores (25.C). Company is installing only 5 Star rated Air conditioners in the outlets to minimize electricity consumption.
3. In new stores only LED lights are installed instead of CFL bulbs and in the existing stores LED lights have been 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 (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.	Not applicable
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

(₹ in Lacs)

		31st March 2016	31st March 2015
(A)	Total Foreign Exchange Earned	**228.23**	264.57
(B)	Total Foreign Exchange Used	**3544.34**	3783.77

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L36999HR1990PLC041175
ii.	Registration Date	22.05.1990
iii.	Name of the Company	Archies Limited
iv.	Category / Sub-Category of the Company	Company having share capital
v.	Address of the Registered office and contact details	191F, Sector-4, IMT Manesar, Gurgaon Haryana-122050 Tel No. 0124-4966666, Fax No. 0124-4966650.
vi.	Whether listed Company (Yes /No)	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	**LINK INTIME INDIA (PRIVATE) LIMITED** 44, Community Centre, IInd Floor, Naraina Industrial Area, Phase-I, New Delhi-110028 **Contact Person** 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	19.23%
2.	Retail Sale of other Goods in Specialized Stores	477	80.27%

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, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	20454600	0	20454600	60.55	20454600	0	20454600	60.55	0.00
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
Sub-total (A) (1):	20454600	0	20454600	60.55	20454600	0	20454600	60.55	0.00

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total Shares	% of Total Shares	Demat	Physical	Total Shares	% of Total Shares	
(2) Foreign									
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
Sub-total (a) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	20454600	0	20454600	60.55	20454600	0	20454600	60.55	0.00
B. Public Shareholding									
1.Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	145478	0	145478	0.43	29500	0	29500	0.087	(0.35)
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) FIIs	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
Sub-total (B)(1):-	220978	1500	222478	0.66	105000	1500	106500	0.31	(0.35)
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	2423286	13505	2436791	7.21	1656303	13505	1669808	4.94	(2.27)
ii. Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8800482	321077	9121559	27.00	9107170	304962	9412132	27.86	0.86
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	654838	0	654838	1.94	945714	0	945714	2.79	0.85
c) Others (specify)									
Trusts	2000	0	2000	0.01	1300	0	1300	0.003	(0.007)
Directors & Their Relatives	7875	0	7875	0.02	7875	0	7875	0.02	0.00
Non-resident Indian	153345	500	153845	0.46	393864	500	394364	1.17	0.71

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% Of Total Shares	Demat	Physical	Total	% Of Total Shares	
Clearing Members	508179	0	508179	1.51	326737	0	326737	0.97	0.54
Foreign Portfolio Investors (Corporate)	217835	0	217835	0.64	0	0	0	0.00	(0.64)
HUF	0	0	0	0.00	460370	0	460370	1.39	1.39
Foreign Nationals	0	0	0	0.00	600	0	600	0.0018	0.0018
Sub-total (B)(2):-	12767840	335082	13102922	38.79	12899933	318967	13218900	39.14	0.35
Total Public Shareholding (B)=(B)(1)+ (B)(2)	12988818	336582	13325400	39.45	13004933	320467	13325400	39.45	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	33443418	336582	33780000	100	33459533	320467	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	1630750	4.82	0.00	1630750	4.82	0.00	0.00
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
	Total	20454600	60.55	0.00	20454600	60.55	0.00	0.00

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
	At the Beginning of the year	20454600	100	20454600	100
	At the End of the year	20454600	100	20454600	100

*There is no change in the Promoters' Shareholdings During the Year.

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

Sl. No.		Shareholding at the beginning of the year		Shareholding at the End of the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Gaurav Manocha	178000	0.5269	178000	0.5269
2	Sharda Goyal	82346	0.2438	122650	0.36361
3	Aryan Graphics Pvt. Ltd.	150000	0.4440	109000	0.3277
4	Murli N. Baheti	0	0.000	107700	0.3188
5	Preeti Piyush Shah	0	0.000	105528	0.3124
6	M.S. Kadian	87492	0.2590	100992	0.2990
7	Baban Tukaram Shinde	0	0.000	100000	0.2960
8	Siddharth Balchandran	0	0.000	95000	0.2812
9	Shri Parasram Holdings Pvt. Ltd.	186325	0.5516	84761	0.2509
10.	IL and FS Securities Services Limited	52168	0.1544	82940	0.2455

iv. Shareholding of Directors and key Managerial Personnel:

Sl. No.	Name of Directors/ Key Management Personnel	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding during the year (01-04-15 To 31-03-2016)	
		No. of Shares at the beginning (01-04-15)/at the end of the year (31-03-2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Mr. Anil Moolchandani Chairman and Managing Director	6793900	20.11	01-Apr-15	0	NIL movement during the year	6793900	20.11
		6793900	20.11	31-Mar-16			6793900	20.11
2	Mr. Arun Singhal (Director)	0	0	01-Apr-15	0	Nil movement during the year	0	0
		0	0	31-Mar-16	0		0	0
3	Mr. Sunil Behl	1000	0.003	01-Apr-15	0	Nil movement during the Year	1000	0.003
		1000	0.003	31-Mar-16			1000	0.003
4	Mr. Prem Kumar Chadha (Director)	0	0	01- Apr-15	0	Nil movement during the year	0	0
		0	0	31-Mar-16			0	0
5	Mr. Deepak Thakkar (Director)	0	0	01-Apr-15	0	Nil movement during the year	0	0
		0	0	31-Mar-16			0	0
6	Ms. Bhavna Chadha (Director)	0	0	01-Apr-15	0	Nil movement during the year	0	0
		0	0	31-Mar-16			0	0

Sl. No.	Name	Shareholding		Date	Increase/Decrease In Shareholding	Reason	Cumulative Shareholding during the year (01-04-15 To 31-03-2016)	
		No. of Shares at the beginning (01-04-15)/at the end of the year (31-03-2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
7	Mr. Vijayant Chhabra Chief Executive Officer	9875	0.029	28-Dec-15				
					(4700)	Sale of Shares		
		5175	0.0153	31-Mar-16			5175	0.0153
8	Mr. Dilip Seth Director (Finance) & CFO	5375	0.015	01-April-15		Nil movement during the year	5375	0.015
		5375	0.015	31-Mar-16			5375	0.015

- Mr. Vikas Kumar Tak ceased to be the Company Secretary of the Company w.e.f. 20.05.2015. During the year he holds 10 shares in the Company.
- Mr. Pankaj Kamra ceased to be the Company Secretary of the Company w.e.f. 09.02.2016. He does not holds any shares in the Company.
- Mr. Gautam the Company Secretary of the Company appointed w.e.f. 09.02.2016. He does not holds any shares in the Company.

V. INDEBTEDNESS

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

(In ₹)

Particulars	Secured Loans	Unsecured	Deposits	Total Indebtedness Loans
Indebtedness at the beginning of the financial year				
i) Principal Amount	65940593.30	-	-	65940593.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	**65940593.30**	**-**	**-**	**65940593.30**
Change in Indebtedness during the financial year				
• Addition, net	479419510.50	-	-	479419510.50
• Reduction, net	393440593.30	-	-	393440593.30
Net Change	**85978917.20**	**-**	**-**	**85978917.20**
Indebtedness at the end of the financial year				
i) Principal Amount	151919510.51	-	-	151919510.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	253895.75	-	-	253895.75
Total (i + ii + iii)	**152173406.26**	**-**	**-**	**152173406.26**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: **(In ₹)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Anil Moolchandani Chairman and Managing Director	Mr. Dilip Seth Director (Finance) & CFO	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3540900.00	2634900.00	6175800.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28800.00	21600.00	50400.00
	(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 (A)	**3569700.00**	**2656500.00**	**6226200.00**

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	Dr. Bhavna Chadha	Mr. Deepak Thakkar	
1.	Independent Directors						
	• Fee for attending board /committee meeting	85326	79626	79626	22863	-	267441
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (1)	85326	79626	79626	22863	-	267441
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	-	-	-	-	34115	34115
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	34115	34115
	Total (B)=(1+2)	85326	79626	79626	22863	34115	301556

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

(In ₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel				
		Mr. Vijayant Chhabra	Mr. Vikas Kumar Tak Company Secretary (Ceased to be Company Secretary w.e.f. 20-05-15)	Mr. Pankaj Kamra (Appointed as Company Secretary on 20.05.2015 and Ceased to be Company Secretary on 09-02-16	Mr. Gautam (Appointed as Company Secretary on 09.02.2016)	Total Amount
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2934900.00	429649.00	483932.00	109464.00	3957945.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28800.00	5400.00	137.00	Nil	34337.00
	(c) Profits in lieu of salary under section17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil
4	Commission • as % of profit • Others, specify…	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total	2963700.00	435049.00	556656.00	109464.00	3992282.00

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					

NIL

ANNEXURE 'C' TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March 2016

[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, 2016 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, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. Overseas Direct Investment and External Commercial Borrowings;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time

(d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

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

(iv) SEBI LODR (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We further report that:

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

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

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

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

We further report that during the audit period the company has appointed Company Secretary at its Board Meeting held on 9th February, 2016.

for DAYAL & MAUR
Company Secretaries

Place : New Delhi
Date : August 09, 2016

SHAILESH DAYAL
Partner
FCS No. 4897
CP No. 7142

Annexure A'

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

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

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

For **DAYAL & MAUR**
Company Secretaries

Place: New Delhi
Date: 09/August/2016

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 came into effect on 20th May, 2015 and superseded the existing Compensation and Remuneration policy of the Company. The policy harmonises the requirements of the Companies Act, 2013 and the 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 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

2. Eligibility Criteria for Appointment of KMP and SM

2.1 A KMP and SM should:

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

3. Diversity

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

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

4. Tenure of Directors

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 for 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**

6.1 Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7. The Board of Directors may deviate from this policy if there are specific reasons to do so in an individual case. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

8. The adequacy of this policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.

ANNEXURE A

ARCHIES BOARD EVALUATION POLICY

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

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

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

ARCHIES BOARD MEMBER SELF EVALUATION

	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 from 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 Outstanding	3 Good	2 Adequate	1 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 for making informed judgments to evaluate performances;
- Sufficiently flexible to take into account future changes in industry and compensation practices; and
- The pay takes into account both external market and Company conditions for 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

S. No.	Components	Key highlights
1	**Base Salary including Fixed Allowances**	➢ A competitive fixed salary payable on a monthly basis ➢ Reflects individual's experience, positioning and role within the Company ➢ Reviewed on an annual basis and changes implemented are effective from 1st April each year. ➢ Increases in Base Compensation are aligned with annual performance reviews and are competitive and comparable with industry benchmarks. ➢ Business and individual performance are taken into consideration when setting/increasing the Base Salary
2	**Variable Compensation**	➢ Variable component is payable on annual basis aligned to company's overall performance, Department performance and individual performance.
3	**Retiral Benefits** (PF/Gratuity/SAF)	➢ Provide for sustained contribution and social security post employment ➢ In accordance with relevant statutory provisions ➢ Accruals depending upon length of service ➢ **Provident Fund -** Contribution of 12% of the Basic amount each from Employee and Employer on optional basis ➢ **Gratuity -** 15 days Basic Salary for every completed year of service (on last drawn Basic salary) with a minimum qualifying service period of 5 years ➢ Not linked to any performance criteria but part of the total remuneration package
4	**Other Benefits / Reimbursements**	➢ Market competitive employees benefits ➢ In line with the market practices & reviewed periodically ➢ Based on level/designation as per policies of the company ➢ Not linked to any performance criteria
5	**Notice period salary**	➢ As per policy/terms of employment

Part II

Remuneration of the Non-executive Directors / Independent Directors:

- **Sitting Fee**

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

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

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

- **Letter of appointment**

  The appointment of Independent Directors shall be formalised through a letter of appointment in compliance to the provisions of the Act, Clause 49 of the Listing Agreement and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 inter-alia covering term of appointment, role of Independent Director including duties and responsibilities, sitting fee etc.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S. No.	Requirements	Disclosure	
		Name of the Director	**Ratio**
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	Mr. Anil Moolchandani	26.21:1
		Mr. Dilip Seth	19.76:1
		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	NIL
		Mr. Dilip Seth- Director (Finance) & CFO	14.47%
		Mr. Vikas Kumar Tak - Company Secretary	*
		Mr. Pankaj Kamra - Company Secretary	25%
		Mr. Gautam - Company Secretary	**
		*Details not given as Mr. Vikas Kumar Tak-was Company Secretary of the Company only for a part of the FY. 2015-16 i.e. till 20.05.2015 **Details not given as Mr. Gautam- Company Secretary, joined the Company for a part of the FY. 2015-16 i.e. on 09-02-2016	
3	The percentage increase in the median remuneration of employees in the financial year;	During Financial year 2015-16, there was an increase of 5% in the median remuneration of employees.	
4	The number of permanent employees on the rolls of company;	There was 1436 permanent employees on the rolls of the Company as on March 31, 2016.	
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 2015-16 as compared to 2014-15	0.54%
		B % Decrease in PAT in 2015-16 as compared to 2014-15	29.83%
		C % Decrease in EBITDA in 2015-16 as compared to 2014-15	0.04%
		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
		31.03.2016	Rs. 20.50	Rs. 69.25 Crores	Rs. 23.94
		31.03.2015	Rs. 19.00	Rs. 64.18 Crores	Rs. 15.57

Closing Share price as on 31st March 2016 was Rs. 20.50. 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. 2015-16 was 4% whereas the increase in managerial remuneration was 3.6%.		
9	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	a	% Decrease in Net Sales in 2015-16 as compared to 2014-15	0.54%
		b	% Decrease in PAT in 2015-16 as compared to 2014-15	29.83%
		C	% Decrease in EBITDA in 2015-16 as compared to 2014-15	0.04%
		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 2015-16 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

Company has constituted Corporate Social Responsibility Committee (CSR Committee) pursuant to the provision of the 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 ₹ 32,00,000/- towards Community Development, promoting health care and educations during the year ending 31.03.2016. During the current year company proposes to take up the cause of education, preventive health care and rural development. The web link is http://www.archiesonline.com/htdocs/csr.pdf
2	The Composition of the CSR Committee	The Composition of the CSR Committee Mr. Sunil Behl- Chairman Mr. Anil Moolchandani- Member Mr. Dilip Seth-Member
3	Average net profit of the company for last three financial year	₹ 8,17,60,788/-
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above).	₹ 16,35,216/-
5	Prescribed CSR Expenditure spent during the financial year 2015-16 a) Total amount to be spent for the financial year 2015-16 b) Amount unspent, if any	 ₹ 16,35,216/- ₹ Nil

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	Palli Alok Pathagar-Odisha	₹ 7,00,000/-	₹ 7,00,000/-	₹ 7,00,000/-	Implementing Agency- CRY-Child Rights And You
2.	Health Care	CL. (i) Promoting preventive health care	Haryana Bahadurgarh	₹ 20,00,000/-	₹ 20,00,000/-	₹ 27,00,000/-	Implementing Agency- Maharaja Agrasen Hospital Charitable Trust (Regd.)
3.	Education	CL. (ii) Promoting education	Delhi-NCR	₹ 5,00,000/-	₹ 5,00,000/-	₹ 32,00,000/-	Implementing Agency- Dashmesh Educational Charitable Trust (Regd.)

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

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

23 May, 2016
New Delhi

(DIN - 00051383)

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, because if one really wants to make someone feel happy or greet someone on his/her special day, the technology in the form of call or SMS is very short lived and the recipient forgets the same in a moment. However greeting cards and gifts have a long lasting impact and the products keeps on reminding the same to the recipient which creates a source of happiness for a longer span of time.

The Company has developed into a gifting solution destination for the consumers and has enhanced its reach to come closer to the Customers, with opening of retail outlets in various cities in India. As on 31.03.2016 the Company is having 229 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

Last year your Company had reoriented its business strategy by shifting its focus on other verticals such as online platform and alternate selling channel for its Stationery Products. This year the Company has broadened its alternate selling channel for perfumes and deodorants also. Your Company is continuously making its footprints, PAN India (for alternate selling channel) 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 and perfume was limited to gifts stores and galleries. The Company is now more focused towards sales optimization by creating value proposition for the consumers.

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.

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, Group on India, Saffron Art India Pvt. Ltd., Gift A love.com, Phoolwala.com, My flower tree, Shopclues, Indian gifts portal. Fern and petals & Bookflower.com

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's constant endeavor is to serve the consumer better, faster and at less cost in ever changing market scenarioes. 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, Whatsapp, text messaging service pose a threat to our core product i.e. greeting cards. However we are making all efforts to revive the greeting cards category and by bringing lot of innovations and creativity to fulfill the need of consumers. 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 online retailing, use of social media etc. are likely to affect the business industry at large and we are not untouched. Change in Government's fiscal policy also has a bearing on our performance. Large prevalence of unorganized players is another area of concern. High rental and shrinking store size is emerging as areas of concern. Change in fashion trends and consumer preference adversely affects the turnover of the Company. Intensifying competition in gifting segment also pose a probable risk to the Company.

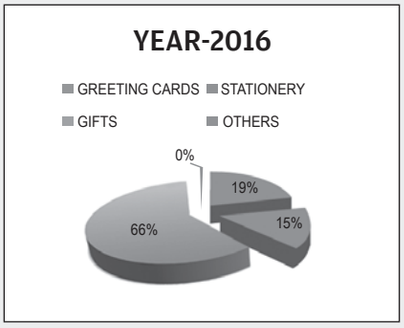
Product Wise Performance

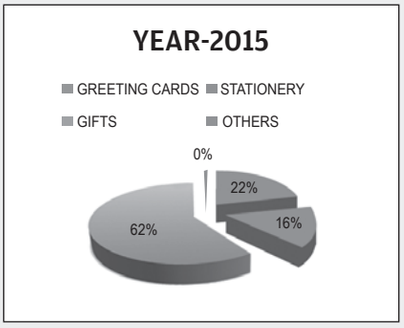
The Turnover of the gift segment was Rs. 12735.26 lacs during the year under review as compared to Rs. 12172.28 lacs last year, up by 4.63%. The Gifts segment contributed about 65.54% of the total turnover during the current year as compared to 62.31% in the previous year.

The Greeting Cards sale was Rs. 3736.41 lacs during the year under review as compared to Rs. 4207.05 lacs last year, down by 11.19%. The contribution of greeting cards sales to the total turnover now stands at 19.23% as compared to 21.53% in the previous year.

The stationery items sale was Rs 2861.71 Lacs during the year under review as compared to Rs 3051.73 Lacs during the Last Year down by 6.23%. The contribution of Stationery items sales to the total turnover stands about 14.73% as compared to 15.62% in the previous year.

Contribution of Segment in Total Sales





Outlook

The Greeting Cards business has been under pressure during the last couple of years. The Company is working on various strategies to counter the negative effects. Company is continuously innovating the Greeting cards Category to bring back the zeal of the market products among consumers.

The turnover of the gift segment has been higher than the Greeting card segment. It has grown by 4.63%. We are hopeful that this segment is going to perform better.

The stationary segment has been down by 6.23% this year. However, 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 8 stores during the year and the total no. of Stores operated by your Company PAN India as on 31.03.2016 is 229.

The main concentration is on the core business of greeting cards, gifts and retail, your Company is not leaving any stone unturned to maximize the profitability of the Company by introducing new ideas and innovation in products, that gel with the company's core business i.e. philosophy of spreading happiness in the society.

Internal Financial 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 revenue from operations of ₹19472.93 Lacs for the financial year 2015-16 as compared to ₹19568.80 Lacs in the previous year down by 0.49 %. The sale of gifts Segment was up by around 4.63%, Greeting Cards segment sale was down by 11.19% and Stationery segment were down by 6.23%.

Inventory as on 31st March 2016 stands at ₹5,716.79 Lacs, as against ₹4,900.76 Lacs during previous year.

Debtors as on 31st March 2016 stand at ₹2199.35 Lacs as against ₹2179.11 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. As in the earlier year 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 in the society.

As at March 31, 2016 the total employee strength of the Company stands at 1436.

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

DECLARATION BY INDEPENDENT DIRECTORS

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

NON-EXECUTIVE DIRECTORS DISCLOSURES

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

A. COMPOSITION AND CATEGORY OF DIRECTORS:

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

The Composition of the Board as at 31st March, 2016 is as follows:

Name of the Director	Category	Number of Shares held in the Company	*Other Directorships held	#Committee memberships/ chairmanship held in other Companies
Mr. Anil Moolchandani (Chairman-and-Managing-Director)	Promoter & Executive Director		Nil	Nil
Mr. Dilip Seth [Director (Finance) & CFO]	Executive Director	-	Nil	Nil
Mr. Arun Singhal	Non-Executive Independent Director	-	2	Nil
Mr. Prem Kumar Chadha	Non-Executive Independent Director	-	2	1
Mr. Sunil Behl	Non-Executive Independent Director	1000	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.

* The Shareholding of Directors excludes Executive Directors.

In accordance with the clause 49 of the Listing agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Memberships/Chairmanships of only the Audit Committees and Stakeholders Relationship Committee have been considered.

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

The Board met four times during the year under review. Meetings were held on 20th May 2015, 31st July 2015, 06th November 2015 and 9th February 2016.

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 28/09/2015
Mr. Anil Moolchandani	3	Yes
Mr. Dilip Seth	4	Yes
Mr. Arun Singhal	4	Yes
Mr. Sunil Behl	4	Yes
Mr. Prem Kumar Chadha	4	Yes
Mr. Deepak Thakkar	4	No
Dr. Bhavna Chadha	2	Yes

C. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 18, 2016 without the attendance of non independent directors and members of management to:

(a) review the performance of non-independent directors and the Board as a whole;

(b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non executive directors;

(c) assess the quality, quantity and timeliness of flow of information between the Company, management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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.	0	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	4	3	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

Familiarization Programme for Director

The Company has programme to familiarize Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the weblink http://www.archiesonline.com/htdocs/familarization.pdf

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 in line with the provision of Regulation 18 of SEBI (Listing obligations and Disclosure Requirements), Regulations 2015 with the Stock Exchanges read with Section 177 of the Companies Act, 2013. Members of the Audit Committee possess financial/accounting expertise/exposure

I. COMPOSITION OF AUDIT COMMITTEE

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

The Company Secretary acted as Secretary to the Committee.

II. TERMS OF REFERENCE

i) Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

ii) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

iii) Reviewing with the management, the annual and periodical financial statements before submission to the Board, focusing primarily on:

a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b) Any changes in accounting policies and practices and reasons for the same.

c) Major accounting entries involving estimates based on exercise of judgment by management.

d) Significant adjustments made in the financial statements arising out of audit findings.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Compliance with the Accounting Standards.

g) Disclosure of any related party transaction.

h) Qualifications in the draft audit report.

i) The going concern assumption.

iv) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take steps in this matter.

v) Reviewing and monitor the auditors independence and performance and effectiveness of audit process.

vi) Approval or any subsequent modification of transactions of the company with related parties.

vii) Scrutiny of inter-corporate loans and investments

viii) Valuation of undertaking or assets of the company, wherever it is necessary

ix) Evaluation of internal financial controls and risk management systems.

x) Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems.

xi) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

xii) Discussion with internal auditors, any significant findings and follow-up thereon.

xiii) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

xiv) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xv) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xvi) To review the functioning of the Whistle Blower mechanism.

xvii) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.

xviii) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

xix) Reviewing the following information:

a) Management discussion and analysis of financial condition and results of operations;

b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) Management letters/letters of internal control weaknesses issued by the statutory auditors;

d) Internal audit reports relating to internal control weakness; and

e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

III. MEETING DETAILS DURING THE YEAR

During the financial 2015-16, four audit committee meetings were held on 20th May, 2015, 31st July 2015, 06th November, 2015, 9th February, 2016.

B. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS

I COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in accordance with the clause 49 of the Listing Agreement in line with the provisions of Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, read with section 178 of Companies Act 2013.

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

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

III. MEETING DETAILS DURING THE YEAR

In the Financial year 2015-16, three meeting of the Nomination & Remuneration Committee was held on 20th May, 2015, 31st July, 2015,9th Feb, 2016 .

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

Details of remuneration/sitting fees paid to the Directors during the financial year 2015-2016 :

Executive Directors (₹)

Particulars	Mr. Anil Moolchandani (Chairman-and-Managing Director)	Mr. Dilip Seth (Director Finance & CFO)
Salary & Allowances	36,05,100	27,05,098
Contribution to Provident Fund	21,600	21,600
Total	36,26,700	27,26,698
Service Contract	Five Years w.e.f. 01/07/2011	Three Years w.e.f. 07/08/2013
Notice Period	Six 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 2015-16 are given below :

Directors	Sitting Fees (₹)*
Mr. Sunil Behl	85,326
Mr. Arun Singhal	79,626
Mr. Prem Kumar Chadha	79,626
Mr. Deepak Thakkar	34,115
Dr. Bhavna Chadha	22,863
Total	**3,01,556**

*- Including Service Tax

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

I. COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee is Consituted in accordance with the clause 49 of the Listing Agreement in line with the provisions of Regulation 20 of SEBI (Listing obligations and Disclosure Requirements) Regulations 2015 read the section 178 of Companies Act 2013.

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

Mr. Gautam, the Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

II. TERMS OF REFERENCE

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

i. To look into complaints received from shareholders like transfer of shares, non-receipt of annual report, non-receipt of dividend or any other complaints.

ii. To look, consider & resolve the redressal of grievances of shareholders.

iii. One meeting of the Committee was held as on 31st March 2016.

iv. Status Report of Investor's Grievances i.e. revalidation of dividend warrant, non-receipt / pending dividend, change of address, change of mandate, non receipt of shares and miscellaneous as on March 31, 2016 is as under:

No. of Complaints opening	Nil
No. of Complaints received	11
No. of Complaints resolved	11
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 31st July 2015.

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

III. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

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

4. GENERAL BODY MEETINGS

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

Date	Venue	Time	No of Special Resolutions passed
28th September 2015	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	One
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

Special Resolution Passed Through Postal Ballot

No special resolution was passed through postal ballot during the Financial year ended 2015-16

5. DISCLOSURES

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

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

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

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

The company has complied with all mandatory requirements of clause 49 of Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Whistle Blower policy / vigil mechanism under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the Ethics and Compliance Task Force which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The link of the Policy is www.archiesonline.com/htdocs/Whistle-blower- Policy ARCHIES-LIMITED.pdf The weblink for the Policy of Related party transactions www.archiesonline.com/htdocs/transaction Policy.pdf

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

6. LISTING AGREEMENT

The Securities Exchange Board of India (SEBI) issued SEBI (Listing Obligations and Disclosure Requirements) , Regulations 2015, to be entered by all the Listed entities ,a Listing Agreement within six months from the effective date i.e. December 1,2015. The Company entered into Listing Agreement with BSE Limited and National Stock Exchange of India Limited.

7. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Board of Directors has adopted the Insider Trading Policy in accordance with the Requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Policy has been formulated to regulate, monitor and ensure reporting in dealing of the shares of the Company and consequences of non compliance to maintain the highest ethical standards dealing in Company securities.

The code of Practices and Procedures under Insider Trading is available on our website in the following link:- www.archiesonline.com/htdocs/Code-of-Practices.pdf The Company has also laid down a code of Conduct for Board members and senior Management personnel.

All the Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2015-16. The code of conduct is also displayed on the website of the Company at www.archiesonline.com/about-archies/code of-conduct

8. OTHER POLICIES

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

i) Archival Policy- The Policy deals with the retention and archival of complete records of the Company. The Policy of the Company is placed on the website and its link is www.archiesonline.com/htdocs/ArchivalPolicy.pdf

ii) Policy for Preservation of Documents - The purpose of the Policy is to specify the document(s) and the time period for preservation thereof based on the classification.The Policy is Placed on the website of the Company and the link for the same is www.archiesonline.com/htdocs/preservation.pdf

iii) Policy for Determination of Materiality- The Policy was framed in Compliance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, placed on the website of the Company and the link for the same is www.archiesonline.com/htdocs/policyMateriality.pdf

9. MEANS OF COMMUNICATION

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

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

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

10. GENERAL SHAREHOLDERS' INFORMATION

A. Annual General Meeting

Date	28th September, 2016
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, 2016 results were published on the following dates :

Annual Audited Financial Results	21st May 2015 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
First Quarter Results	01st August 2015 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
Second Quarter Results	07th November 2015 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
Third Quarter Results	11th February 2016 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)

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

C. Book Closure Dates

22nd September, 2016 to 28th September 2016 (Both Days Inclusive)

D. Dividend Payment Dates

No dividend is proposed by management for the financial year 2015-16

E. Listing on Stock Exchange

The company's share 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 2016-17.

F. Stock Code

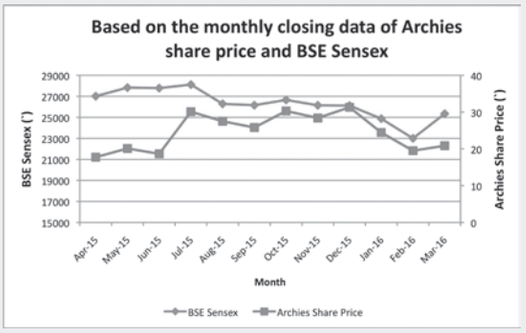
The Bombay Stock Exchange Ltd.	532212
National Stock Exchange of India Ltd.	ARCHIES
ISIN NO.	INE731A01020

G. Market Price Data

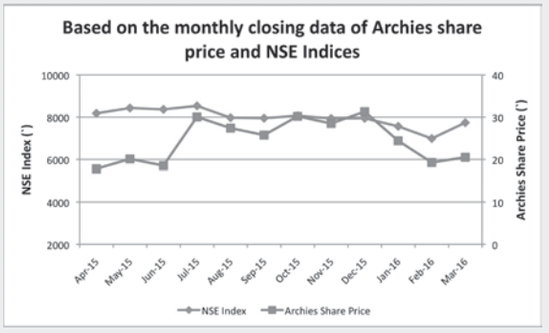
Monthly high & low price of shares of your Company and no. of shares traded at Bombay and National Stock Exchanges are as under :

	BSE			NSE		
Month	**High**	**Low**	**No. of shares traded**	**High**	**Low**	**No. of shares traded**
April, 2015	22.60	17.65	5,12,053	22.50	17.55	23,74,642
May, 2015	23.90	17.55	11,48,792	23.90	17.50	48,30,280
June, 2015	20.45	17.65	2,43,025	20.50	17.70	9,76,840
July, 2015	33.75	18.90	78,08,691	34.00	18.65	2,19,69,889
August, 2015	33.20	24.20	22,87,623	33.20	24.00	71,20,487
September, 2015	28.70	23.10	8,25,716	28.70	23.00	25,96,442
October, 2015	33.60	25.65	22,67,390	33.55	25.60	74,37,979
November, 2015	31.40	26.65	10,38,501	31.40	26.50	42,00,315
December, 2015	34.35	26.20	34,25,369	34.30	26.10	1,23,29,840
January, 2016	31.65	22.30	12,20,039	31.75	22.10	41,43,425
February, 2016	27.30	18.70	8,52,936	27.40	18.85	38,26,527
March, 2016	22.25	19.50	3,46,062	22.20	19.25	14,55,535

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 Transfer received and shares are transferred within the stipulated time provided the document are complete in all respects.

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

K. Distribution of Shareholdings :

	AS ON MARCH 31							
	2016				2015			
No. of Equity Shares Held	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	11,986	76.2274	20,03,757	5.9318	11,514	76.469	19,17,307	5.676
501— 1000	1,860	11.8291	16,55,602	4.9011	1,761	11.695	15,61,001	4.621
1001 — 2000	858	5.4566	13,91,790	4.1202	789	5.240	12,76,910	3.780
2001 — 3000	289	1.838	7,58,646	2.2458	292	1.940	7,63,850	2.261
3001— 4000	172	1.0939	6,30,276	1.8658	180	1.195	6,65,198	1.969
4001— 5000	190	1.2083	9,14,620	2.7076	163	1.083	7,79,799	2.309
5001— 10000	200	1.2719	14,87,353	4.4031	202	1.342	15,07,555	4.463
10001 & above	169	1.0748	2,49,37,956	73.8246	156	1.036	25,308,380	74.921
Total	15,724	100.00	3,37,80,000	100.00	15,057	100.00	3,37,80,000	100.00

L. Categories of Shareholders :

	AS ON MARCH 31					
	2016			2015		
Category	No. of Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	No. of Shares held	% of total Shares
Individuals	14,804	1,03,57,846	30.66	14,450	97,84,272	28.96
Body Corporates/Clearing Member/Trusts/H.U.F.	763	24,66,090	7.30	487	29,46,970	8.73
NRIs / OCBs / FIIs/FFIs	145	3,96,964	1.18	107	3,73,680	1.11
Mutual Funds/Banks/ Insurance Company/FIs	4	1,04,500	0.31	5	2,20,478	0.65
Promoters	8	2,04,54,600	60.55	8	2,04,54,600	60.55
Total	15,724	3,37,80,000	100.00	15,057	3,37,80,000	100.00

M. Dematerialisation of shares and liquidity

As on 31st March 2016, 85.23% of total shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) and 13.82% with Central Depository Services (India) Limited (CDSL). Only 0.95% of the total shareholding is held in physical form as on 31st March 2016.

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 : gautam.verma@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 ('the Company'), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1 April 2015 to 30 November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

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

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

Place: New Delhi
Date: August 9, 2016

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

This is to confirm that the company has adopted a code of conduct for its Directors and Senior Management personnel of the Company as required by the clause 49 of the Listing Agreement and as per the Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations 2015. 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, 2016, received from the senior management personnel and members of the Board of Directors, a declaration of compliance with the Code of Conduct as applicable to them for the year ended March 31, 2016.

Place : New Delhi
Date : August 9,2016

Anil Moolchandani
Chairman and Managing Director

Dilip Seth
Director (Finance) & CFO

CEO AND CFO CERTIFICATION

We, Anil Moolchandani, Chairman and Managing Director and Dilip Seth, Director (Finance) and 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, 2016 and to the best of our knowledge and belief these statements:

1. do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(B) To the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

(C) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control 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 or proposed to be taken to rectify these deficiencies.

(D) We have indicated to the auditors and the Audit committee that:

(1) there has not been any significant change in internal control over financial reporting during the year under reference;

(2) there has not been any significant changes in accounting policies during the year requiring disclosure in the notes to the financial statements; except as mentioned in the notes to accounts.

(3) we are not aware of any instances during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : New Delhi
Date : August 9, 2016

Dilip Seth
Director (Finance) & CFO

Anil Moolchandani
Chairman and Managing Director

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the 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.

Auditors' 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 thereunder.

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 auditors' 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the 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, 2016, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure-A", a statement on the matters specified in paragraphs 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
   (c) The reports 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us;
   (e) In our opinion, the aforesaid financial statements 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 the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 from being appointed as a director in terms of Section 164(2) of the Act;

(g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B";

(h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March, 2016 on its financial position in its financial statements-Refer Note 28 to the financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

Place: New Delhi
Date: 23 May 2016

ANNEXURE-A 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.

(c) According to our examination of the books and records of the Company and the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified by the management at reasonable intervals. The discrepancies noticed on verification between the physical stocks and book records were not material.

iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the order is not applicable.

iv. The Company has not entered into any transaction in respect of loans, investments, guarantee and security to which the provisions of Section 185 and 186 of the Act would apply.

v. The company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder would apply.

vi. The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the products of the company.

vii. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it, except in few cases where there is a delay in deposit. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it were outstanding, as at 31 March, 2016 for a period of more than six months from the date they became payable; except an amount for ₹ 9.33 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, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute, except the following:-

Nature of the Statutory Dues	Amount (₹ in 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	2.43	Financial year 2009-10 and 2012-13	Department of Commercial Taxes, Ernakulam

viii. The company has not defaulted in repayment of loans or borrowings to any bank.

ix. 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.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the Management.

xi. According to our examination of the books and records of the Company and the information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a nidhi company.

xiii. According to our examination of the books and records of the Company and the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in Note 34 to the Financial Statements as required by the Accounting Standard 18 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to our examination of the books and records of the Company and the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

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

Place: New Delhi
Date: 23 May 2016

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 2(g) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls over financial reporting of the Company as of 31 March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

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

Place: New Delhi
Date: 23 May 2016

BALANCE SHEET AS AT 31 MARCH 2016

(₹ in Lacs)

	NOTE	31 MARCH 2016	31 MARCH 2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	**675.62**	675.62
Reserves and Surplus	4	**10396.04**	10129.85
		11071.66	10805.47
Non-Current Liabilities			
Long-Term borrowings	5	**175.00**	0.00
Deferred Tax Liabilities (net)	6	**323.13**	326.89
Other Long Term Liabilities	7	**668.92**	707.53
Long-Term Provisions	8	**54.68**	55.51
		1221.73	1089.93
Current Liabilities			
Short-Term Borrowings	9	**1244.20**	659.41
Trade Payables	10	**596.50**	589.33
Other Current Liabilities	11	**1258.14**	1102.93
Short-Term Provisions	12	**35.37**	160.06
		3134.21	2511.73
		15427.60	14407.13
ASSETS			
Non-Current Assets			
Fixed Assets	13		
Tangible Assets		**5781.90**	5591.04
Capital Work-in-Progress		**12.00**	19.43
		5793.90	5610.47
Long-Term Loans and Advances	14	**1209.85**	1201.36
		7003.75	6811.83
Current Assets			
Inventories	15	**5716.79**	4900.76
Trade Receivables	16	**2199.35**	2179.11
Cash and Bank Balances	17	**318.80**	185.44
Short-Term Loans and Advances	18	**188.91**	329.99
		8423.85	7595.30
		15427.60	14407.13
Summary of Significant Accounting Policies	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
23 May, 2016

For and on behalf of the Board

Anil Moolchandani
Chairman - and - Managing Director

Dilip Seth
Director (Finance) and CFO

Gautam
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lacs)

	NOTE	31 MARCH 2016	31 MARCH 2015
INCOME			
Revenue from Operations			
Sales of Products (gross)	19	**19521.04**	19649.00
Less : Excise Duty		**90.95**	113.66
Sales of Products (net)		**19430.09**	19535.34
Other Operating Revenues		**42.84**	33.46
Revenue from Operations		**19472.93**	19568.80
Other Income	20	**211.30**	166.14
TOTAL REVENUE		**19684.23**	19734.94
EXPENSES			
Cost of Materials Consumed	21	**1107.53**	1380.52
Purchases of Traded Goods	22	**7152.61**	6888.11
Changes in Inventories of Manufactured Goods, Work-in-Progress and Traded Goods	23	**(889.41)**	(1062.53)
Employee Benefits Expense	24	**3134.28**	2888.80
Finance Costs	25	**273.38**	296.72
Depreciation	13	**461.12**	639.77
Other Expenses	26	**8026.62**	8071.63
TOTAL EXPENSES		**19266.13**	19103.02
Profit Before Tax		**418.10**	631.92
Tax Expense			
Current Tax		**132.59**	218.02
Deferred Tax	6	**(3.76)**	1.66
Profit for the Year		**289.27**	412.24
Earning Per Equity Share			
Basic & Diluted (₹)		**0.86**	1.22
(Refer Note '32')			
Summary of Significant Accounting Policiles	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
23 May, 2016

For and on behalf of the Board

Anil Moolchandani
Chairman - and - Managing Director

Dilip Seth
Director (Finance) and CFO

Gautam
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

(₹ in Lacs)

		31 MARCH 2016	31 MARCH 2015
(A)	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	Net Profit Before Tax	**418.10**	631.92
	Adjustments for:		
	Depreciation	**461.12**	639.77
	Interest Paid	**188.11**	179.54
	Loss (net of Profit) on Sale/Disposal of Tangible Fixed Assets	**36.67**	18.05
	Interest Received	**(5.25)**	(12.15)
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1098.75**	1457.13
	Adjustments for:		
	Trade Receivables	**(20.24)**	(67.01)
	Inventories	**(816.03)**	(914.73)
	Other receivables	**201.17**	289.48
	Trade Payable and Other Liabilities	**101.53**	100.52
	Taxes Paid (Net)	**(195.95)**	(208.41)
	Net Cash Flow from Operating Activities (A)	**369.23**	656.98
(B)	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Payment towards Capital Expenditure	**(756.26)**	(390.68)
	Proceeds from Sale of Tangible Fixed Assets	**63.63**	37.78
	Interest Received	**5.25**	12.15
	Fixed Deposit placed with banks having original maturity over three months (Net)	**(2.86)**	0.45
	Net Cash Flow Used in Investing Activities (B)	**(690.24)**	(340.30)
(C)	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds/(Repayment) from Short-Term Borrowings (Net)	**584.79**	(128.98)
	Proceeds/(Repayment) from Long-Term Borrowings (Net)	**175.00**	(27.84)
	Interest Paid	**(188.11)**	(179.54)
	Dividend Paid (Including Tax on Dividend)	**(120.17)**	(156.46)
	Net Cash Flow Used in Financing Activities (C)	**451.51**	(492.82)
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**130.50**	(176.14)
	Cash and Cash Equivalents (Opening)	**154.68**	330.82
	Cash and Cash Equivalents (Closing)	**285.18**	154.68
Summary of Significant Accounting Policies	2		

For and on Behalf of the Board

Anil Moolchandani
Chairman - and - Managing Director

Dilip Seth
Director (Finance) and CFO

Gautam
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, 2016 and found the same to be drawn in accordance therewith and also with the requirements of Regulation 34(2)(C) of the listing Securities and Enchange Board of India (Listing Obligations and Disclosure requirements) Regulations, 2015.

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

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

New Delhi
23 May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

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 Company 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 2016

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

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

Post-employment 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.

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 2016

(₹ in Lac)

		31 MARCH 2016	31 MARCH 2015
3.	**SHARE CAPITAL**		
	Authorised (No. in Lacs)		
	750 (31 March 2015, 750) Equity shares of ₹ 2 each	**1500.00**	1500.00
	Issued, Subscribed and Paid-Up		
	337.80 (31 March 2015, 337.80) Equity shares of ₹ 2 each fully paid up	**675.60**	675.60
	Forfeited shares	**0.02**	0.02
		675.62	675.62

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

		31 MARCH 2016		31 MARCH 2015	
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)	Karan Moolchandani	**18.52**	**5.48**	18.52	5.48
e)	Raghav Moolchandani	**18.08**	**5.35**	18.08	5.35

(₹ in Lacs)

		31 MARCH 2016	31 MARCH 2015
4.	**RESERVES AND SURPLUS**		
a)	**Capital Reserve**		
	Forfeiture of Share Warrants	**159.50**	159.50
	Closing Balance	**159.50**	159.50
b)	**Securities Premium Account**		
	Opening Balance	**737.95**	737.95
	Closing Balance	**737.95**	737.95
c)	**General Reserve**		
	Opening Balance	**5126.50**	5910.52
	Add: Transferred from Surplus in Statement of Profit and Loss	**-**	100.00
	Less: Adjustment pursuant to Schedule II of Companies Act 2013	**12.73**	884.02
	Closing Balance	**5113.77**	5126.50
d)	**Surplus in Statement of Profit and Loss**		
	Opening Balance	**4105.90**	3936.67
	Add/(Less) : Previous Years' Tax Adjustments	**7.24**	0.00
	Add : Profit for the year	**289.27**	412.24
		4402.41	4348.91
	Less : Appropriations		
	Transfer to General Reserve	**-**	100.00
	Provision for Corporate Social Rsponsibility Activities	**17.59**	21.41
	(During the year ₹ 32.00 were spent on CSR Activities (31 March 2015 ₹ 7.00)		
	Proposed Dividend ₹ Nil (31 March 2015, ₹ 0.30) each equity share	**-**	101.34
	Tax on Dividend	**-**	20.26
	Closing Balance	**4384.82**	4105.90
	Total (a) + (b) + (c) + (d)	**10396.04**	10129.85

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lacs)

			31 MARCH 2016	31 MARCH 2015
5.	**LONG - TERM BORROWINGS**			
	Secured Loans			
b)	Term Loan - Citi Bank N.A.	i, ii and iii	**175.00**	-
			175.00	-
i.	First exclusive charge on all the borrower's present & future movable plant. machinery, vehicle and equipments belonging to the Borrowers.			
ii.	The loan is repayable in Equated Installments from the date of drawdown of the term loan.			
iii.	The charges stated above are also applicable for securing the current portion of Long Term Liabilities as per Note no. 11			
6.	**DEFERRED TAX LIABILITIES (NET)**			
	Deferred Tax Liabilities			
	Related to Tangible Fixed Assets	a)	**397.04**	362.40
	(Net of adjustment of ₹ Nil (31 March 2015 ₹ 424.56) pursuant to Schedule II of Companies Act 2013)		**397.04**	362.40
	Deferred Tax Assets			
	Employee Benefits		**55.62**	27.86
	Provision for Doubtful Advances		**7.79**	7.65
	Provision for Doubtful Debts		**6.84**	0.00
	other		**3.66**	0.00
		(b)	**73.91**	35.51
		(a-b)	**323.13**	326.89
	Deferred Tax Charged to Statement of Profit and Loss		**(3.76)**	1.66
7.	**OTHER LONG-TERM LIABILITIES**			
	Security Deposits (Received from Franchisee, Agents & Distributors)		**668.92**	707.53
			668.92	707.53
8.	**LONG - TERM PROVISIONS**			
	Provision for Employee Benefits (Refer Note 35)			
	Provision for Leave Encashment (Net of Plan Asset of ₹ 10.40 (31 March 2015, ₹ 5.00)		**54.68**	55.51
			54.68	55.51
9.	**SHORT - TERM BORROWINGS**			
	Loans repayable on demand (Secured) WCDL, Cash Credit, Buyer's Credit from Banks	i, ii and iii	**1244.20**	659.41
			1244.20	659.41

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 2016

(₹ in Lac)

		31 MARCH 2016	31 MARCH 2015
10.	**TRADE PAYABLES**		
	Amount due to Micro and Small Enterprises	**2.66**	3.68
	Amount due to Others	**593.84**	585.65
		596.50	589.33
11.	**OTHER CURRENT LIABILITIES**		
	Current Maturities of Long-Term Borrowings	**100.00**	0.00
	Interest Accrued But Not Due	**2.54**	0.00
	Advance from customers	**50.67**	34.51
	Statutory Liabilities	**144.21**	159.05
	Accrued Salary & Other Benefits	**307.69**	273.99
	Expenses Payable	**131.83**	124.41
	Unclaimed Dividend	**9.07**	7.64
	Other Payable for Expenses	**512.13**	503.33
		1258.14	1102.93
12.	**SHORT-TERM PROVISIONS**		
	Provision For Employee Benefits (Refer Note 35)		
	Leave Encashment	**16.18**	7.54
	Gratuity	**19.19**	30.22
	Provision for Income Tax (net)	**-**	0.70
	Proposed Dividend	**-**	101.34
	Provision for Dividend Tax	**-**	20.26
		35.37	160.06

13. **TANGIBLE FIXED ASSETS**

(₹ in Lac)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS AT 01 APRIL 2015	ADDITIONS	DISPOSALS / ADJUSTMENTS	**AS AT 31 MARCH 2016**	AS AT 01 APRIL 2015	FOR THE YEAR	OTHER ADJUSTMENTS (SCHEDULE-II OF COMPANIES ACT 2013)	DISPOSALS/ ADJUSTMENTS	**AS AT 31 MARCH 2016**	**AS AT 31 MARCH 2016**	AS AT 31 MARCH 2015
LAND	855.04	27.63	0.00	**882.67**	0.00	0.00	0.00	0.00	**0.00**	**882.67**	855.04
FACTORY BUILDINGS	438.19	15.56	0.00	**453.75**	80.83	13.88	0.00	0.00	**94.71**	**359.04**	357.36
BUILDING (OTHER THAN FACTORY)	2338.19	21.04	0.00	**2359.23**	164.97	37.24	0.00	0.00	**202.21**	**2157.02**	2173.22
PLANT & MACHINERY	1544.16	472.26	155.19	**1861.23**	848.43	55.27	0.00	110.79	**792.91**	**1068.32**	695.73
FURNITURE & FITTINGS	3537.70	155.22	256.21	**3436.71**	2466.24	201.82	0.00	234.05	**2434.01**	**1002.70**	1071.46
OFFICE EQUIPMENT	538.19	16.33	10.47	**544.05**	357.15	73.94	0.00	(2.99)	**434.08**	**109.97**	181.04
COMPUTERS	538.23	56.98	27.41	**567.80**	455.58	47.97	0.00	25.84	**477.71**	**90.09**	82.65
VEHICLES	300.05	0.00	75.18	**224.87**	127.17	30.63	0.00	43.73	**114.07**	**110.80**	172.88
POLLUTION CONTROL EQUIPMENT	9.06	0.00	0.00	**9.06**	7.40	0.37	0.00	0.00	**7.77**	**1.29**	1.66
TOTAL	**10098.8**	**765.02**	**524.46**	**10339.37**	**4507.77**	**461.12**	**0.00**	**411.42**	**4557.47**	**5781.90**	**5591.04**
CAPITAL WORK IN PROGRESS										**12.00**	19.43
GRAND TOTAL	**10098.81**	**765.02**	**524.46**	**10339.37**	**4507.77**	**461.12**	**0.00**	**411.42**	**4557.47**	**5793.90**	**5610.47**
31 March 2015	10577.14	401.60	879.93	**10098.81**	3383.51	639.77	1308.58	824.09	**4507.77**	**5610.47**	

Note :

1. 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 provisions. Consequent to change of useful life, an amount of ₹ Nill (31 March 2015, ₹ 884.02 lacs Net of deffered 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.
2. Addition to fixed assets during the year includes borrowing cost capitallised ₹ 2.84 (31 March 2015 ₹ Nill)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lacs)

			31 MARCH 2016	31 MARCH 2015
14.	**LONG-TERM LOANS AND ADVANCES**			
	(Unsecured and Considered Doubtful)			
	Advances to Suppliers		**23.57**	23.57
	Less : Provision for Doubtful Advances		**23.57**	23.57
			0.00	0.00
	(Unsecured and Considered Good)			
	Capital Advance		**2.71**	4.04
	Security Deposits		**1125.21**	1188.73
	Prepaid Expenses		**4.92**	2.13
	Advance Tax (Net)		**69.90**	-
	Advance to Staff		**2.27**	1.05
	Others		**4.84**	5.41
			1209.85	1201.36
15.	**INVENTORIES**			
	(Refer note 2.9)			
	Raw Materials (Refer Note 21)		**108.56**	166.87
	Work in Progress (Refer Note 23)		**31.96**	71.92
	Manufactured Goods (Refer Note 23)		**933.96**	718.13
	Traded Goods (Refer Note 23)		**4630.79**	3927.76
	Other Misc. Inventories		**11.52**	16.08
			5716.79	4900.76
16.	**TRADE RECEIVABLES**			
	(Unsecured & Considered Doubful)			
	Outstanding for a period exceeding six months from the date they are due for payment		**20.68**	-
	Less: Provision for Doubtful Debts		**20.68**	-
			-	-
	(Unsecured & Considered Good)			
	Outstanding for a period exceeding six months from the date they are due for payment		**276.00**	192.15
	Other debts		**1923.35**	1986.96
			2199.35	2179.11
17.	**CASH AND BANK BALANCES**			
	(a) Cash and Cash Equivalents			
	Balances with Banks			
	In Current Accounts		**217.08**	113.85
	In Deposit Account with original maturity of less than 3 months	(i)	**28.00**	0.00
	Cash Balance on Hand		**40.10**	40.83
			285.18	154.68
	(b) Other Bank Balances			
	Deposits with banks with maturity more than 3 months but less than 12 Months	(i)	**0.03**	21.36
	Interest Accrued on Bank Deposits		**0.03**	0.35
	Deposits with banks with maturity more than 12 months	(i)	**32.10**	8.20
	Interest Accrued on Bank Deposits		**1.46**	0.85
			33.62	30.76
			318.80	185.44

i) Deposited against Margin Money, Customs and Sales Tax Department

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lac)

			31 MARCH 2016	31 MARCH 2015
18.	**SHORT-TERM LOANS AND ADVANCES**			
	(Unsecured and Considered Good)			
	Advances to Suppliers		**68.95**	236.11
	Advances to Staff		**7.07**	6.77
	Special Additional Duty Recoverable		**-**	3.26
	Security Deposits		**65.22**	58.06
	Prepaid Expenses		**23.36**	21.58
	Others Loan and Advances		**24.31**	4.21
			188.91	329.99
19.	**REVENUE FROM OPERATIONS**			
	Sale of Products (Gross)			
	Manufactured Goods		**4468.48**	5165.71
	Traded Goods		**15052.56**	14483.29
			19521.04	19649.00
	Less : Excise Duty	(i)	**90.95**	113.66
	Sale of Products (Net)	**(a)**	**19430.09**	19535.34
	Other Operating Revenues			
	Scrap Sales		**7.58**	9.99
	Other		**35.26**	23.47
		(b)	**42.84**	33.46
	Revenue from Operations	**(a) + (b)**	**19472.93**	19568.80

(i) Excise duty on sales amounting to ₹ 90.95 (31 March 2015, ₹ 113.66) has been reduced from sales in Statement of Profit and Loss and excise duty on increase/(decrease) in stock amounting to ₹ (22.38) (31 March 2015, ₹ 18.60) has been decrease considered as (income)/expense in note 26 of financial statements.

Details of Goods Sold - Manufactured Goods			
Greeting Cards	**3620.81**	3869.64	
Stationery Items	**818.52**	1276.43	
Others	**29.15**	19.64	
	4468.48	5165.71	
Details of Goods Sold - Traded Goods			
Greeting Cards	**178.70**	404.73	
Stationery Items	**2071.04**	1821.64	
Gift Items	**12735.26**	12172.28	
Others	**67.56**	84.64	
	15052.56	14483.29	

20	**OTHER INCOME**		
	Exchange Difference	**46.85**	51.67
	Rent Received	**50.50**	20.48
	Interest Received (Gross)		
	Bank	**2.46**	7.98
	Others	**2.79**	4.17
	Income from Business Auxillary Services	**99.95**	60.00
	Miscellaneous Income	**3.09**	17.86
	Profit on Sale of Tangible Fixed Assets	**5.66**	3.98
		211.30	166.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lac)

		31 MARCH 2016	31 MARCH 2015
21.	**COST OF MATERIALS CONSUMED**		
	Opening Stock	**166.87**	322.08
	Add : Purchases	**1049.22**	1225.31
		1216.09	1547.39
	Less : Closing Stock	**108.56**	166.87
		1107.53	1380.52
	Details of Material Purchased		
	Paper & Paper Board	**377.57**	405.05
	Misc. Raw Material	**671.65**	820.26
		1049.22	1225.31
	Details of Material Consumed		
	Paper & Paper Board	**432.02**	499.69
	Misc. Raw Material	**675.51**	880.83
		1107.53	1380.52
	Details of Inventory		
	Paper & Paper Board	**84.61**	139.06
	Misc. Raw Material	**23.95**	27.81
		108.56	166.87

Value of Imported & Indigenous Raw Material Consumed

Particulars	**31 MARCH 2016**		31 MARCH 2015	
	%	**Value (₹ in Lacs)**	%	Value (₹ in Lacs)
Imported	**20.77**	**229.98**	27.35	377.57
Indigenous	**79.23**	**877.55**	72.65	1002.95
	100.00	**1107.53**	100.00	1380.52

		31 MARCH 2016	31 MARCH 2015
22.	**PURCHASES OF TRADED GOODS**		
	Traded Goods	**7152.61**	6888.11
		7152.61	6888.11
	Details of Purchases of Traded Goods		
	Greeting Cards	**25.84**	114.36
	Stationery Items	**1034.41**	712.01
	Gift Items	**6001.20**	5979.35
	Others	**91.16**	82.39
		7152.61	6888.11

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lacs)

		31 MARCH 2016	31 MARCH 2015
23.	**CHANGES IN INVENTORIES OF MANUFACTURED GOODS, WORK-IN-PROGRESS AND TRADED GOODS**		
	Opening Stock		
	Manufactured Goods	**718.13**	765.53
	Work-in-Progress	**71.92**	112.77
	Traded Goods	**3927.76**	2776.98
		4717.81	3655.28
	Closing Stock		
	Manufactured Goods	**933.96**	718.13
	Work-in-Progress	**31.96**	71.92
	Traded Goods	**4630.79**	3927.76
		5596.71	4717.81
	Less: Stock Loss	**10.51**	0.00
	(Increase)/ Decrease in Stock	**(889.41)**	(1062.53)
	Details of Inventory of Manufactured Goods		
	Greeting Cards	**691.91**	515.90
	Stationery Items	**242.05**	202.23
		933.96	718.13
	Details of Inventory of Work-in-Progress		
	Greeting Cards	**27.97**	71.92
	Stationery Items	**3.99**	0.00
		31.96	71.92
	Details of Inventory of Traded Goods		
	Greeting Cards	**28.58**	34.27
	Stationery Items	**416.44**	326.35
	Gift Items	**4097.78**	3516.67
	Others	**87.99**	50.47
		4630.79	3927.76
24.	**EMPLOYEE BENEFITS EXPENSE**		
	Salary, Wages and Other Benefits	**2872.57**	2664.27
	Contribution to Provident and Other Funds	**216.92**	181.10
	Staff Welfare Expenses	**44.79**	43.43
		3134.28	2888.80
25.	**FINANCE COSTS**		
	Financial Charges	**85.27**	117.18
	Interest	**188.11**	179.54
		273.38	296.72

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2016

(₹ in Lacs)

			31 MARCH 2016	31 MARCH 2015
26.	**OTHER EXPENSES**			
	Advertisement		**225.40**	220.60
	Bad Debts		**25.39**	22.65
	Doubtful Debts		**20.68**	-
	Business Promotion & Development		**443.64**	407.82
	Commission on Sales		**1188.20**	1260.30
	Communication Expenses		**87.98**	90.32
	Computer Expenses		**35.07**	37.44
	Consumables	(i)	**19.12**	19.45
	Conveyance		**97.24**	98.34
	Director's Siiting Fees		**3.02**	2.46
	Discount Allowed		**160.00**	116.83
	Electricity & Water Expenses		**542.87**	566.76
	Excise Duty		**(22.38)**	18.60
	Freight & Cartage (Outward)		**65.60**	77.66
	Freight & Cartage Inward		**363.42**	411.08
	General Expenses		**41.57**	29.74
	Charity and Donations		**6.07**	5.00
	Insurance		**28.89**	23.71
	Jobwork		**89.68**	118.41
	Legal & Professional Charges	(ii)	**92.82**	82.83
	Licence Fees		**6.82**	4.73
	Loss on Sale/Deletion of Tangible Fixed Assets		**42.33**	22.03
	Meeting & Conference Expenses		**9.37**	16.14
	Office Maintenance		**74.87**	82.18
	Postage, Packing & Forwarding		**233.63**	152.07
	Power		**57.34**	60.94
	Printing & Stationery		**32.13**	33.79
	Rates & Taxes		**15.03**	12.05
	Rent (Refer Note 36)		**2808.27**	2874.07
	Repair & Maintenance			
	- Machinery		**28.74**	46.79
	- Building		**8.85**	12.94
	- Vehicles		**69.95**	72.42
	- Others		**130.47**	157.93
	Shop Maintenance		**737.40**	735.17
	Travelling Expenses		**208.63**	123.48
	Watch & Ward Expenses		**48.51**	54.90
			8026.62	8071.63

i) Value of Imported & Indigenous Consumables

Particulars	**31 MARCH 2016**		31 MARCH 2015	
	%	**(₹ in Lacs)**	%	(₹ in Lacs)
Indigenous	**100**	**19.12**	100	19.45

ii) Figures under the head "Legal & Professional Charges" includes amount paid to the Auditors of the Company

(₹ in Lac)

		31 MARCH 2016	31 MARCH 2015
a)	For Statutory and Tax Audit	**18.57**	14.89
b)	Branch Auditors	**5.82**	5.56
c)	For Branch other Matters	**0.36**	0.14

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

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 ₹ 13.00 Lacs (31 March 2015 ₹ 22.53 Lacs)

Other Commitment - Estimated amount of contracts remaining to be executed on Other Commitment (net of advances) and not provided for ₹ 36.33 Lacs (31 March 2015 ₹ 208.76 Lacs)

28. **CONTINGENT LIABILITIES :**

(₹ in Lacs)

		31 MARCH 2016	31 MARCH 2015
a)	Income Tax Demand (Block Period)	**340.27***	340.27*
b)	Dispute of Rent Escalation and CAM Charges	**3.16**	5.19
c)	Vat penalty	**2.43****	0.99**
d)	Bank Guarantee	**27.68**	14.12
e)	Custom duty saved on import of Capital goods under EPCG Scheme (Export obligation under the EPCG Scheme was ₹ 680.40 Lacs)	**113.40**	-

*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 panalty was demanded by the Department of Commercial Taxes Ernakulam. Company has filed an appeal with Deputy Commissioner of Commercial Taxes, Ernakulam.

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

(₹ in Lacs)

	31 MARCH 2016	31 MARCH 2015
Raw Material	**130.80**	241.11
Traded Goods	**2858.27**	3367.20
Artwork & Designs	**8.55**	21.23
Capital Goods	**407.83**	12.79

30. **EXPENDITURE IN FOREIGN CURRENCY**

(₹ in Lacs)

	31 MARCH 2016	31 MARCH 2015
Travelling	**31.74**	26.68
Business Promotion & Development	**107.15**	114.76

31. **EARNINGS IN FOREIGN CURRENCY**

(₹ in Lacs)

	31 MARCH 2016	31 MARCH 2015
Export of Goods calculated on FOB Basis	**228.23**	264.57

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

	31 MARCH 2016	31 MARCH 2015
Profit after Tax (₹ in Lacs)	**289.27**	412.24
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 (₹)	**0.86**	1.22

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2016

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 2016	31 MARCH 2015
	Segment Revenue		
a	Greeting Cards	**3736.41**	4207.05
b	Stationery	**2861.71**	**3051.73**
c	Gifts	**12735.26**	**12172.28**
d	Others	**96.71**	**104.28**
	Income From Operations	**19430.09**	**19535.34**
	Segment Results		
	Profit before Dep., Interest, Finance Charge & Tax		
a	Greeting Cards	**489.66**	**595.55**
b	Stationery	**240.37**	**356.10**
c	Gifts	**847.07**	**1026.68**
d	Others	**9.70**	**9.27**
	Total	**1586.80**	**1987.60**
	Less: Interest and Finance Charges	**273.38**	**296.72**
	Less: Other unallocable exp. net of unallocable Income	**895.32**	**1058.96**
	Profit before Tax	**418.10**	**631.92**
	Capital Employed		
	(Segment Assets-Segment Liabilities)	**11071.66**	**10805.47**
	Total	**11071.66**	**10805.47**

(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 2016	31 MARCH 2015	**31 MARCH 2016**	31 MARCH 2015	**31 MARCH 2016**	31 MARCH 2015
East	**1360.59**	1525.07	**359.02**	404.77	**0.03**	0.74
West	**3779.42**	4464.17	**1660.52**	2106.38	**27.60**	24.34
North	**9913.83**	9084.11	**11899.44**	10213.05	**726.03**	304.41
South	**3615.37**	3593.23	**1329.53**	1423.72	**10.89**	67.31
Central	**533.71**	604.18	**179.09**	259.21	**0.47**	4.81
Export	**227.17**	264.57	**NIL***	NIL*	**NIL***	NIL*
Total	**19430.09**	19535.34	**15427.60**	14407.13	**765.02**	401.60

* No specific assets are held for export.

(iii) **Notes to Segment information**

Segment Revenue and Expense

- Joint revenues and expenses are allocated to the business segments on a reasonable basis to the extent possible.

Segment Assets and Liabilities

- Segment Assets include all Operating Assets used by Segment 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-and-Managing Director)	**Key Managerial Personnel**
	Mr. Jagdish Moolchandani (Cheif Operating Officer)	
	Mr. Dilip Seth Director (Finance) & CFO	
	Mr. Vijayant Chhabra (Chief Executive Officer)	
	Mr. Pramod Arora* (Joint Managing Director)	
	Mr. Vikas Kumar Tak** (Company Secretary)	
	Mr. Pankaj Kamra** (Company Secretary)	
	Mr. Gautam ** (Company Secretary)	
2.	Mrs. Neeru Moolchandani w/o Mr. Anil Moolchandani	**Relatives of Key Managerial Personnel**
	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.	**Enterprises over which Key Managerial Personnel or their relatives exercise significant influence**
4.	M/s Finesse Interactive Solution Pvt. Ltd.	**Enterprises over which Non Executive Director has interest**

* 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. Vikas Kumar Tak Resigned from the post of Company Secretary w.e.f. 20.05.2015. Mr. Pankaj Kamra was appointed as Company Secretary w.e.f. 20.05.2015 and he resigned from the post w.e.f. 09.02.2016. Mr. Gautam was appointed as Company Secretary w.e.f. 09.02.2016.

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

(₹ in Lacs)

S. NO.	NATURE OF TRANSACTION	KEY MANAGERIAL PERSONNEL		RELATIVES OF KEY MANAGERIAL PERSONNEL		ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL, NON EXECUTIVE DIRECTOR OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		31 MARCH 2016	31 MARCH 2015	**31 MARCH 2016**	31 MARCH 2015	**31 MARCH 2016**	31 MARCH 2015	**31 MARCH 2016**	31 MARCH 2015
1	Purchase of Goods					**1081.14**	505.25	**1081.14**	505.25
2	Sale of Goods					**0.00**	2.06	**0.00**	2.06
3	Commission on Sales			**3.66**	3.83	**0.00**	7.87	**3.66**	11.70
4	Reimbursement of Expenses (Incurred n behalf of others)					**2.94**	11.59	**2.94**	11.59
5	Rendering Of Services					**43.45**	68.74	**43.45**	68.74
6	Rent Paid	**55.73**	82.32	**109.67**	102.06	**95.23**	94.00	**260.63**	278.38
7	Salary	**125.05**	148.61	**27.10**	24.78			**152.15**	173.39
	Debit Balances Outstanding								
	Outstanding receivables					**12.60**	12.60	**12.60**	12.60
	Credit Balance Outstanding								
	Outstanding Payable	**8.93**	10.16	**3.70**	2.99	**0.41**	19.67	**13.04**	32.82

35. **EMPLOYEE BENEFITS**

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

	31 MARCH 2016	31 MARCH 2015
Discount Rate	**7.70%**	7.80%
Expected Rate of return on Plan Assets	**8.50%**	9.00%
Expected Rate of increase in compensation Level	**4.00%**	4.00%

b) Changes in the present value of the obligations

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Opening Present Value of obligations	**68.05**	**322.37**	78.82	334.68
Interest Cost	**5.32**	**25.20**	7.17	30.46
Current Service Cost	**21.04**	**32.45**	11.45	30.29
Benefits Paid	**(11.49)**	**(28.92)**	(12.84)	(64.78)
Actuarial Loss/(gain) on obligations	**(1.66)**	**(4.45)**	(16.55)	(8.28)
Closing Present Value of Obligations	**81.26**	**346.65**	68.05	322.37

c) Changes in Fair Value of Plan Assets

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Opening Fair Value of Plan Assets	**5.00**	**292.15**	-	324.10
Expected return on Plan Assets	**0.44**	**26.35**	0.004	28.36
Employer contribution	**4.95**	**39.38**	4.996	7.27
Benefits Paid	**-**	**(28.92)**	-	(64.78)
Actuarial gain/(loss) on Plan Assets	**0.02**	**(1.50)**	-	(2.80)
Closing Fair Value of Plan Assets	**10.40**	**327.46**	5.00	292.15

d) Fair Value Of Plan Assets

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Opening Fair Value of Plan Assets	**5.00**	**292.15**	-	324.10
Actual return on Plan Assets	**0.45**	**24.84**	0.004	25.56
Employer contribution	**4.95**	**39.38**	4.996	7.27
Benefits Paid		**(28.92)**	-	(64.78)
Fair Value of Plan Assets at the end of period	**10.40**	**327.46**	5.00	292.15
Funded Status	**(70.86)**	**(19.19)**	(63.05)	(30.22)
Excess of Actual over Expected Return on Plan Assets	**0.02**	**(1.50)**	-	(2.80)

e) Actuarial Gain/(Loss) Recognised

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Actuarial gain/(loss)-Obligations	**1.67**	**4.45**	16.55	8.28
Actuarial gain/(loss)-Plan Assets	**0.02**	**(1.50)**	-	2.80

f) Amount Recognised in the Balance Sheet

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Closing Present Value of obligations	**81.26**	**346.65**	68.05	322.37
Fair value of Plan Assets as at the end of the year	**10.40**	**327.46**	5.00	292.15
Funded Status	**(70.86)**	**(19.19)**	(63.05)	(30.22)
Net Liability Recognized in Balance Sheet	**70.86**	**19.19**	63.05	30.22

g) Expenses Recognised in The Statement of Profit And Loss

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Current Service Cost	**21.04**	**32.45**	11.45	30.29
Interest Cost	**5.32**	**25.20**	7.17	30.46
Expected return on Plan Assets	**(0.44)**	**(26.35)**	(0.004)	(28.36)
Net Actuarial (Gain)/Loss Recognised during the year	**(1.67)**	**(2.94)**	(16.55)	(5.48)
Total Expense recognised in Statement of Profit and Loss	**24.25**	**28.35**	2.07	26.91

h) Amount for the Current Period

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Present Value of Obligation	**81.26**	**346.65**	68.05	322.37
Plan Assets	**10.40**	**327.46**	5.00	292.15
Surplus (Deficit)	**(70.86)**	**(19.19)**	(63.05)	(30.22)
Experience adjustments on plan liabilities-(Loss)/Gain	**1.25**	**4.49**	14.28	2.21
Experience adjustments on plan assets-(Loss)/Gain	**0.02**	**(1.50)**	-	(2.80)

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

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Present Value of obligation as at the end of period	**81.26**	**346.65**	68.05	322.37
Present Value of obligation as at the beginning of period	**(68.05)**	**(322.37)**	(78.82)	(334.68)
Benefits paid :				
(i) Directly paid by the enterprise	**11.49**	**-**	12.84	-
(ii) Payment made out of the fund	**-**	**28.92**	-	64.78
Actual return on plan assets	**(0.45)**	**(24.84)**	(0.004)	(25.56)
Expense recognised in the Statement of Profit & Loss	**24.25**	**28.35**	2.07	26.91

j) Movement in the Liability Recognised in the Balance Sheet

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Opening Net Liability	**63.05**	**30.22**	78.82	10.58
Expenses as above	**24.25**	**28.35**	2.07	26.91
Benefits paid directly by the enterprise	**(11.49)**	**-**	(12.84)	-
Contributions paid into the fund	**(4.95)**	**(39.38)**	(4.996)	(7.27)
Closing Net liability	**70.86**	**19.19**	63.05	30.22

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

(₹ in Lacs)

	31 MARCH 2016		31 MARCH 2015	
Particulars	**Leave Encashment Funded**	**Gratuity Funded**	Leave Encashment Funded	Gratuity Funded
Current Liability	**16.18**	**19.19**	7.54	30.22
Non-Current Liability	**54.68**	**-**	55.51	-
Closing Net Liability	**70.86**	**19.19**	63.05	30.22

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 ₹ 2808.27 Lacs (31 March 2015, ₹ 2874.07 Lacs), which includes contingent rents of ₹ 19.05 Lacs (31 March 2015, ₹ 35.19 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 2016 Amount	31 MARCH 2015 Amount
Lease Rent Payable not later than one year	**2320.16**	2618.15
Lease Rent Payable later than one year but not later than five years	**5556.40**	6851.56
Lease Rent Payable later than five years	**1349.55**	2265.30
Lease payments received (or receivable) recognised in the statement of profit and loss	**50.50**	20.48

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
23th May, 2016

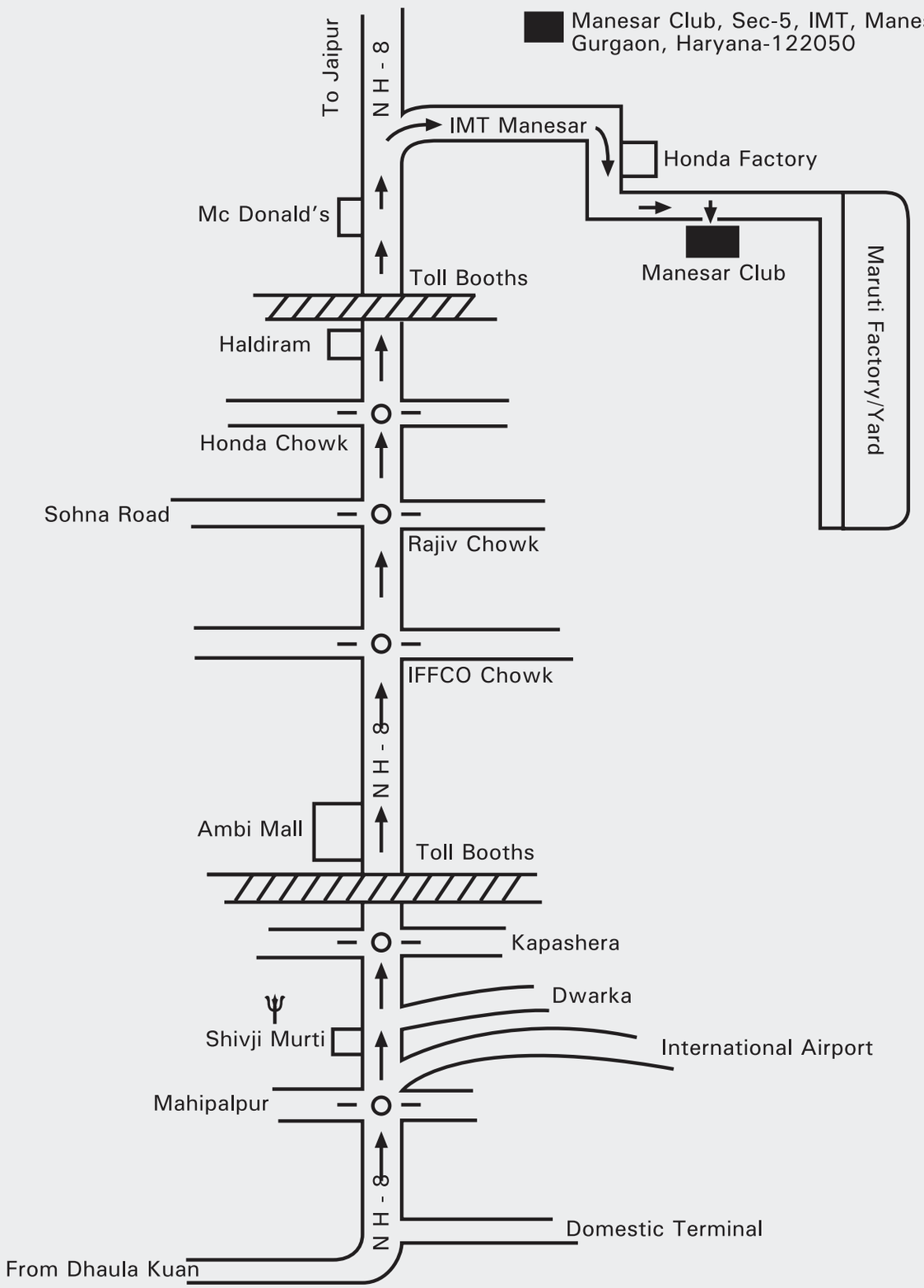
For and on behalf of the Board

Anil Moolchandani
Chairman-and-Managing Director

Gautam
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 : gautam.verma@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 SIXTH ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 28th day of September, 2016 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, 2016.			
2.	Appointment of Director in place of Mr. Deepak Thakkar (DIN -00888165) who retires by rotation and being eligible offers himself for reappointment			
3.	Ratification of Re-Appointment of M/s Uberoi Sood & Kapoor (FRN-001462N), Chartered Accountants as Statutory Auditor of the Company.			
4.	Re-appointment of M/s. V D Rupani & Co, Chartered Accountants as Branch Auditor of the Mumbai, Pune & Goa Branches of the Company.			
5.	Re-appointment of M/s. Sanjiv Shah & Associates, Chartered Accountants as Branch Auditor of the Chennai Branch of the Company.			
6.	Re-appointment of M/s. Mehul V Chalishajar & Co, Chartered Accountants as Branch Auditor of the Ahmedabad Branch of the Company.			
7.	Re-appointment of M/s. Rajesh Chowdhury & Associates, Chartered Accountants as Branch Auditor of the Kolkatta & Bhubneshwar Branches of the Company.			
8.	Re-appointment of M/s. Rajesh Adityaraj & Co, Chartered Accountants as Branch Auditor of the Indore Branch of the Company.			
9.	Re-appointment of M/s. S Vijaykumar Chartered Accountants as Branch Auditor of the Bangalore Branch of the Company.			
10.	Re-appointment of M/s. Pramod G Gupta & Associates, Chartered Accountants as Branch Auditor of the Chandigarh Branch of the Company.			
11.	Re-appointment of M/s. Suryanarayana & Suresh, Chartered Accountants as Branch Auditor of the Hyderabad Branch of the Company.			

		Vote (Optional, see Note 2)		
Sl. No.	**Resolution**	**For**	**Against**	**Abstain**
12.	Re-appointment of M/s. Shetty & Thomas, Chartered Accountants as Branch Auditor of the Kochi Branch of the Company.			
13.	Appointment of M/s Walia & Walia, (FRN 002896N) Charted Accountants as Branch Auditor of Ludhiana Branch of the Company.			
14.	Re-Appointment of Mr. Deepak Thakkar (DIN-00888165) as Non Executive Director of the Company for 1 Year.			
15.	Re-Appointment of Mr. Dilip Seth as Director (Finance) & CFO (DIN-06640936) of the Company for 1 Year.			
16.	Re-Appointment of Dr. Bhavna Chadha (DIN-06957473) as an Independent Director of the Company for 3 Years.			
17.	Re-Appointment of Mr. Anil Moolchandani (DIN-00022693) as Chairman and Managing Director of the Company for 1 Year.			
18.	Appointment of Mr. Jagdish Moolchandani (DIN 00016718) as Director (Executive) of the Company for 3 Years.			

Signed this ..... day of ..... 2016.

Signature of the shareholder .....

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

Affix
1 Rupee
Revenue
Stamp

Note :

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

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 : gautam.verma@archiesonline.com

ATTENDANCE SLIP

Twenty Sixth Annual General Meeting - September 28, 2016

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 SIXTH 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 Wednesday, September 28, 2016.

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.**

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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

Tel : 0124-4966666, Fax : 0124-4966650

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