

A person is holding a large, plush yellow smiley face pillow in front of their face. The pillow has two black circular eyes and a wide, black, upward-curving smile. The text "YOUNGER BY ANOTHER YEAR" is printed in a bold, black, sans-serif font across the center of the smile. The person holding the pillow is wearing a black t-shirt and has their hands visible, adorned with rings and bracelets. The background is a solid, bright yellow.

**YOUNGER  
BY  
ANOTHER  
YEAR**

**ANNUAL REPORT  
2013-14**



*The most special way to say you care*

# Board of Directors

## **Anil Moolchandani**

Chairman-cum-Managing Director

## **Pramod Arora**

Joint Managing Director

## **Dilip Seth**

Director (Finance) and CFO

## **Sunil Behl**

Director

## **Arun Singhal**

Director

## **Prem Kumar Chadha**

Director

## **Dr. Bhavna Chadha**

Director

## **Deepak Thakkar**

Director

## Company Secretary

Vikas Kumar Tak

## Auditors

M/s Uberoi Sood & Kapoor

## 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-I, New Delhi-110 028.

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BALANCE SHEET

A person is wearing a large, plush yellow mask shaped like a smiley face. The mask has a single black eye and a wide, curved black smile. A hand with a ring on the ring finger is touching the left side of the mask's face. The background is a solid yellow color.

theart of grow



# growingyoung

Dear Friends,

Welcome to this annual recapturing of the year gone by. The annual report that we bring out every year isn't just any other document. It is something much more than that. It is an opportunity to express our vision, our achievements, our highlights and pretty much everything worth sharing that happens at Archies. So let's begin.

This year, our Annual Report is about Growing Young. Ours is a business that caters to the young. Not only the young in age but also the young at heart. The emotions that we appeal to—love and friendship, are what keep people young. And to remain relevant to these people we cater to, it becomes imperative that we keep reinventing ourselves and remain young.

The following sections of this Annual Report are an account of all that we did this year to keep ourselves young, and in sync with the young. We hope you enjoy reading it as much as we enjoyed creating it.

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


...speaking...

THE  
LANGUAGE

.....OF THE.....

YOUNG

.....



THE YOUNG EVOLVE ON A DAILY BASIS. WHAT'S TRENDING ONE DAY IS FORGOTTEN THE NEXT. WHAT'S COOL TODAY IS UNCOOL TOMORROW. NEW WORDS TAKE BIRTH AND THE OLD ONES DIE. BUT WHAT REMAINS CONSTANT IS THE NEED TO EXPRESS ONE'S FEELINGS, TO TELL THAT SPECIAL SOMEONE THAT THEY ARE SPECIAL. AND THAT IS WHERE WE ARE IRREPLACEABLE BECAUSE NOTHING SAYS YOU CARE, LIKE A GREETING CARD DOES. A GREETING CARD SHOWS THAT ONE PUT IN THE EFFORT OF WALKING UP TO AN ARCHIES STORE AND SORTED THROUGH HUNDREDS OF GREETING CARDS TO FIND JUST THE RIGHT ONE.

TO HELP THE YOUTH EXPRESS THEMSELVES, THE MOST IMPORTANT PREREQUISITE IS TO UNDERSTAND THEM. THAT IS WHERE OUR CREATIVE TEAM COMES IN. BY CONSTANTLY INTERACTING WITH THE YOUTH, OBSERVING THE WAY THEY THINK AND SPEAK AND BY BECOMING THEM, OUR TEAM IS ABLE TO USE JUST THE RIGHT WORDS THAT RESONATE. NOT ONLY THAT, WE CONTINUOUSLY EXPERIMENT WITH NEWER TECHNIQUES AND TECHNOLOGIES IN DESIGNING, PRINTING AND FABRICATING TO KEEP OUR GREETING CARDS COLLECTION IN SYNC WITH THE TIMES.

THE YEAR GONE BY SAW US RUNNING A ONE-OF-ITS-KIND OFFER FOR OUR CONSUMERS. THE MONEY FOR LOVE CHALLENGE, AN OFFER WHOSE SUCCESS LAY IN IT BEING A FAILURE. WE OFFERED PEOPLE RS.1000 IN ARCHIES GIFT VOUCHERS IF THEY GAVE US THEIR OLD PERSONAL ARCHIES GREETING CARDS. DESPITE A VERY VISIBLE CAMPAIGN IN DELHI AND JAIPUR, AMPLIFIED THROUGH SOCIAL MEDIA AND RADIO, WE ONLY GOT 73 CARDS IN THE FOUR DAYS THE OFFER RAN. WHAT WAS HEARTENING WAS THE FACT THAT LURED BY THE MONEY, A LOT OF PEOPLE WALKED UP TO THE COUNTER, BUT CHOSE TO WITHDRAW WHEN THEY REALIZED THEY WOULD HAVE TO GIVE UP THE CARDS FOREVER. THE SUCCESS REINFORCED OUR BELIEF THAT GREETING CARDS ARE IRREPLACEABLE.




FRIENDLY

.....

LIKE THE

.....

YOUNG



BEING YOUNG IS ALL ABOUT BEING EASY TO GET ALONG WITH. IT'S ABOUT BEING UNINHIBITED. ABOUT MAKING CONNECTIONS AND FRIENDSHIPS BASED ON MUTUAL LIKES AND MINDSETS. ABOUT GOING OUT INTO THE WORLD AND HAVING FUN. TRUE TO IT, WE AT ARCHIES ARE CONSTANTLY ON THE LOOKOUT FOR BRANDS THAT SHARE OUR ETHOS AND VALUES TO BECOME FRIENDS WITH, AND BRING THEM TO INDIA.

OVER THE PAST FEW YEARS, WE HAVE PROVIDED OUR CUSTOMERS WITH QUALITY MERCHANDISE BY ENTERING INTO STRATEGIC PARTNERSHIPS WITH INTERNATIONAL ICONS LIKE GARFIELD, SMILEY, SNOOPY, COW PARADE AND ME TO YOU AMONG OTHERS. THEIR OFFERINGS HAVE RANGED FROM MUGS TO SOFT TOYS TO CUSHIONS AND CERAMIC COW FIGURINES THAT ARE REPLICAS OF PIECES OF ART. ALL THESE PRODUCTS HAVE BEEN WELL RECEIVED AND LOVED BY THE PEOPLE.

IN THE BUILD-UP TO THE FOOTBALL FEVER PITCH, THE PAST YEAR SAW US INTRODUCE FOOTBALL MERCHANDISE TO PROVIDE OUR CUSTOMERS A CHANCE TO LITERALLY WEAR THEIR HEARTS ON THEIR SLEEVES WHEN THEY SUPPORT THEIR TEAMS. THE COLLECTION INCLUDES THINGS LIKE SIPPERS, T-SHIRTS, MUGS, KEY CHAINS AND SCHOOL BAGS AMONGST OTHERS. THE COLLECTION HAS BEEN A HUGE HIT.




**BECAUSE**

**...THE...**

**young**

**...are...**

**impatient**



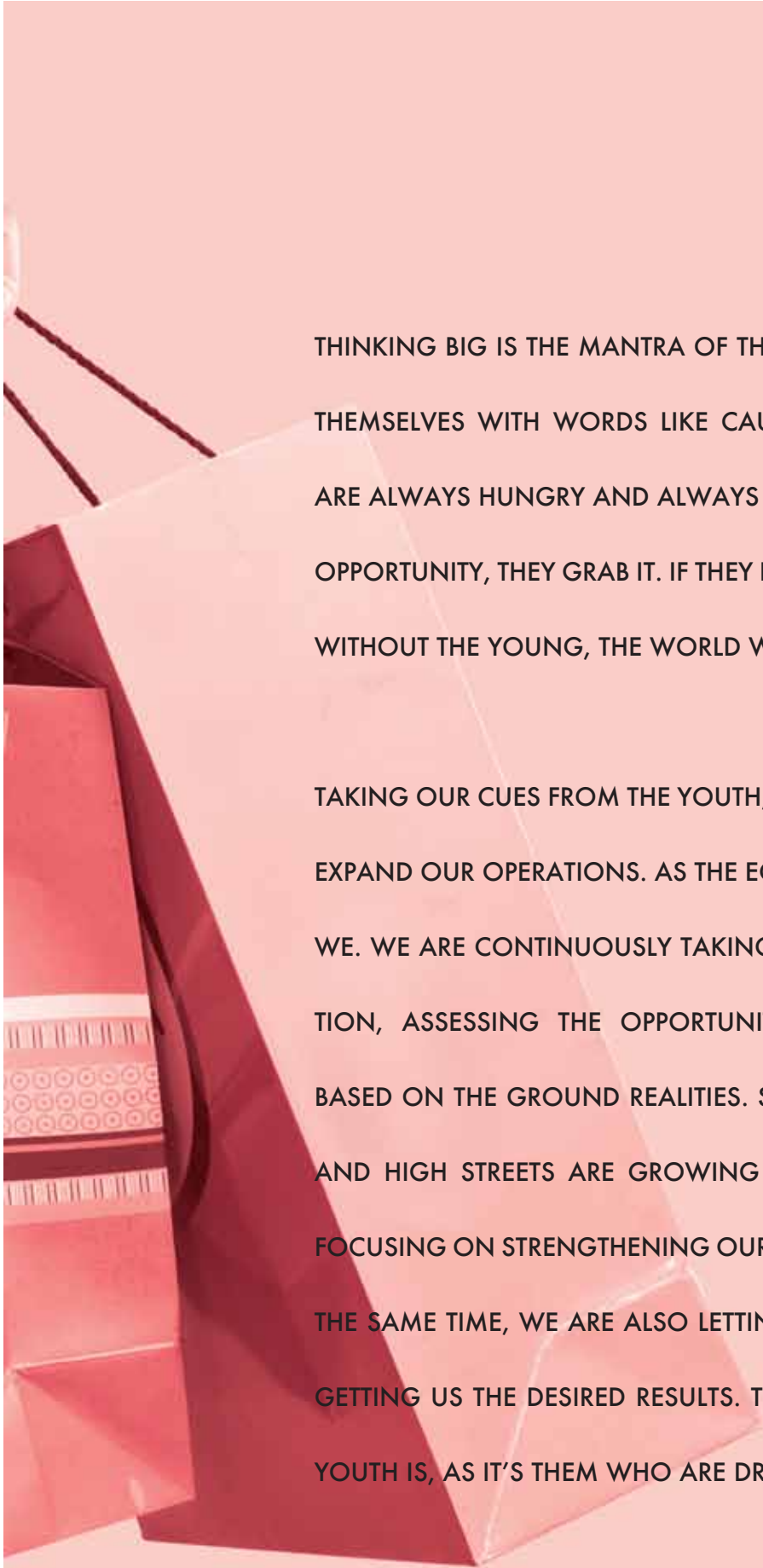
The young want the world and they want it now. Waiting is a concept alien to them. They do what they want and they do it when they feel like it. The growth of online shopping in India is a testament to that. The convenience of being able to shop whenever and wherever has become the biggest appeal of online shopping and the youngsters are just lapping it up, as evident from the heavy traffic and sales on archiesonline.com leading up to occasions like Rakshabandhan and Valentine's Day.

Keeping up with it, over the last year we have made significant efforts to provide an even better experience to the shoppers at archiesonline.com. The number of products on offer has grown and so has the ease of shopping and customer satisfaction. What has gone down is the time being taken to deliver the products to the customers. From servicing a limited number of cities, we are now delivering to cities all over India by entering into tie-ups with local courier service providers.

The love we are receiving from the people has increased manifold and has manifested itself in the form of 'Likes' on our Facebook page. The tally stands at a staggering 287000 and encourages us to do even more.

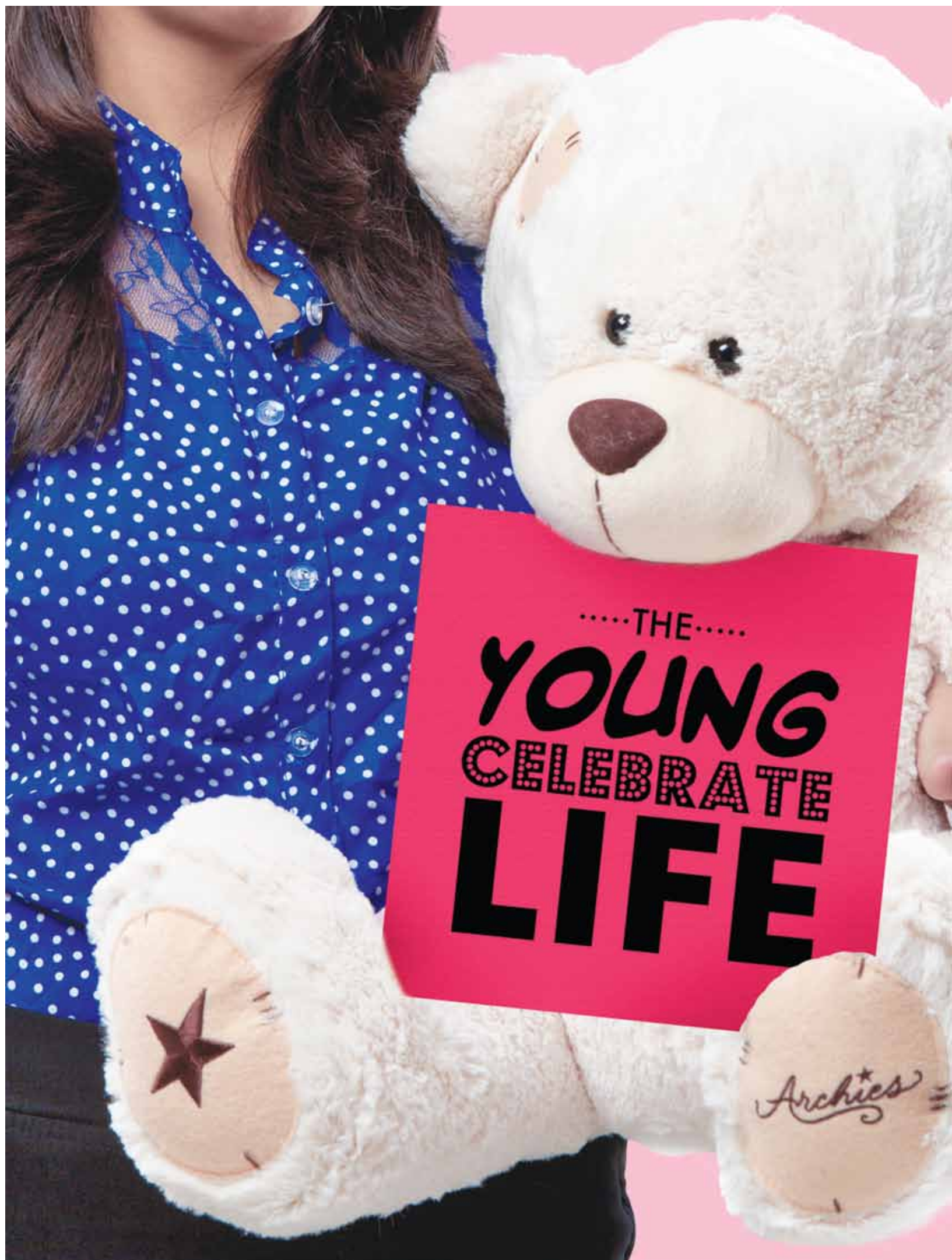



... BEING ...  
**YOUNG**  
... IS ...  
**BEING**  
**AMBITIOUS**



THINKING BIG IS THE MANTRA OF THE YOUNG. THEY DON'T BOTHER THEMSELVES WITH WORDS LIKE CAUTION OR SATISFACTION. THEY ARE ALWAYS HUNGRY AND ALWAYS RARING TO GO. IF THEY SEE AN OPPORTUNITY, THEY GRAB IT. IF THEY DON'T SEE ONE, THEY CREATE IT. WITHOUT THE YOUNG, THE WORLD WOULD STOP MOVING.

TAKING OUR CUES FROM THE YOUTH, WE ARE FOREVER LOOKING TO EXPAND OUR OPERATIONS. AS THE ECONOMY IS GROWING, SO ARE WE. WE ARE CONTINUOUSLY TAKING STOCK OF THE MARKET SITUATION, ASSESSING THE OPPORTUNITIES AND TAKING DECISIONS BASED ON THE GROUND REALITIES. SINCE THE FOOTFALLS IN MALLS AND HIGH STREETS ARE GROWING EVERY PASSING DAY, WE ARE FOCUSING ON STRENGTHENING OUR PRESENCE IN THESE SPACES. AT THE SAME TIME, WE ARE ALSO LETTING GO OF PLACES THAT AREN'T GETTING US THE DESIRED RESULTS. THE FOCUS IS TO BE WHERE THE YOUTH IS, AS IT'S THEM WHO ARE DRIVING THE ECONOMY.





TO CELEBRATE, THE YOUNG DON'T NEED AN OCCASION THEY NEED AN EXCUSE. THEY ARE FOREVER IN LOVE AND AREN'T AFRAID TO ADMIT IT. THEY WANT TO SHOUT IT OUT FROM THE ROOFTOPS AND WANT EVERYONE TO BE A PART OF THE CELEBRATION. AND THAT IS PRECISELY WHAT WE HELP THEM DO.

OUR SPECIAL OFFERINGS FOR OCCASIONS LIKE VALENTINE'S DAY, MOTHER'S DAY, FATHER'S DAY, ETC. GIVE THE YOUTH EXACTLY WHAT THEY NEED TO PROFESS THEIR LOVE TO THE PEOPLE WHO REALLY MATTER IN THEIR LIVES. THE SPECIALLY DESIGNED GREETING CARDS, GIFT ITEMS AND THE SPECIAL SOMETHINGS ADD JOY TO LIVES.

APART FROM THESE SPECIAL DAYS, OUR RANGE OF HUGGABLES, THAT INCLUDE SOFT TOYS AND PILLOWS ARE AN IDEAL GIFT TO MAKE EVERYDAY SPECIAL AND SERVE AS A CONSTANT REMINDER OF THE BOND THAT PEOPLE SHARE WITH THEIR LOVED ONES.

# Year At A Glance

(₹. in Lacs)

S. No.	Particulars	2013-2014	2012-2013	2011-2012
1.	TOTAL TURNOVER	19630.89	20127.74	20113.12
2.	OTHER INCOME	91.70	23.93	86.03
3.	TOTAL EXPENDITURE	18264.84	18494.33	18066.54
4.	PROFIT BEFORE DEPRECIATION, INTEREST AND TAX (PBDIT)	1457.75	1657.34	2132.61
5.	PBDIT AS A % OF TOTAL TURNOVER	7.43	8.23	10.60
6.	INTEREST	177.29	118.97	282.23
7.	DEPRECIATION	510.45	487.49	459.04
8.	PROFIT BEFORE TAX (PBT)	770.01	1050.88	1391.34
9.	PBT AS A % OF TOTAL TURNOVER	3.92	5.22	6.92
10.	EXTRAORDINARY ITEM	0.00	0.00	0.00
11.	PROFIT BEFORE TAX AFTER EXTRAORDINARY ITEM	770.01	1050.88	1391.34
12.	PROVISION FOR TAXATION	245.77	350.13	441.19
13.	PROFIT AFTER TAX (PAT)	524.24	700.75	950.15
14.	PAT AS A % OF TOTAL TURNOVER	2.67	3.48	4.72
15.	PAID UP EQUITY SHARE CAPITAL	675.62	675.62	675.62
16.	RESERVES (EXCLUDING REVALUATION RESERVES)	10744.64	10395.34	9862.75
17.	NET WORTH	11420.26	11070.96	10538.37
18.	EARNING PER SHARE OF FACE VALUE ₹ 2 (IN ₹)	1.55	2.07	2.81
19.	BOOK VALUE PER SHARE OF FACE VALUE ₹ 2 (IN ₹)	33.81	32.77	31.20
20.	DIVIDEND (%)	20	20	20
21.	AMOUNT OF DIVIDEND	135.12	135.12	135.12
22.	RETURN ON AVERAGE NET WORTH (%)	4.66	6.49	9.37
23.	RETURN ON AVERAGE CAPITAL EMPLOYED (%)	7.94	10.19	14.57

## ARCHIES LIMITED

CIN: L36999HR1990PLC041175

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

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

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

### NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the members of Archies Limited will be held at Manesar Club, Sector 5, IMT Manesar Gurgaon Haryana 122050, on Tuesday, the 23rd day of September, 2014 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, 2014 and Statement of Profit & Loss Account for the year ended on that date along with the Reports of the Auditors and the Directors thereon.
2. To declare dividend @ 20% equivalent to Rs 0.40/- per equity share of Face value of Rs. 2/- each for the financial year 2013-14.
3. To consider and if thought fit to pass following resolution as Ordinary Resolution :-

**"RESOLVED THAT** Mr. Pramod Arora, who retires by rotation at the ensuing Annual General Meeting has expressed his desire not to offer himself for re-appointment as Director due to his personal pre-occupation."

4. To appoint a Director in place of Mr. Anil Moolchandani who retires by rotation and being eligible offers himself for reappointment.
5. To consider and, if thought fit, to pass, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, M/s. Uberoi Sood & Kapoor, Chartered Accountants, New Delhi be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of 27th Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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

##### 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, M/s. V D Rupani & Co, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Mumbai, Pune & Goa Branches and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. Sanjiv Shah & Associates, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Chennai Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. Mehul V Chalishajar & Co, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Ahmedabad Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. Rajesh Chowdhury & Associates, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Kolkatta & Bhubneshwar Branches and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. Rajesh Adityaraj & Co, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Indore Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. S Vijaykumar, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Bangalore Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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, M/s. Ashok Shashi & Co, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Ludhiana Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, M/s. Pramod G Gupta & Associates, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Chandigarh Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

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

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

**"RESOLVED THAT** pursuant to the provisions of Section 143(8) read with section 139 & 141 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of audit committee and the Board of Directors, M/s. Suryanarayana & Suresh, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Hyderabad Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors be and are hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the Branch Auditors.

**15. 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, M/s. Shetty & Thomas, Chartered Accountants, be and are hereby re-appointed as the Branch Auditors of the Kochi Branch and to hold office from the conclusion of this Annual General Meeting to the conclusion of twenty seventh Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) 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.

**16. APPOINTMENT OF MR. DILIP SETH AS DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149 of the Companies Act, 2013 and the Rules made thereunder, Mr. Dilip Seth who was appointed as an Additional Director of the Company by the Board of Directors with effect from August 07, 2013 and who holds office until the date of the 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. Dilip Seth for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any other relevant rules & provisions (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the appointment of Mr. Dilip Seth as a Whole Time director (Director Finance & CFO) of the Company for a period of three years with effect from August 7, 2013 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 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 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. APPOINTMENT OF MR. SUNIL BEHL AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 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 clause 49 of the Listing Agreement, Mr. Sunil Behl who was appointed as a Director liable to retire by rotation 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. Sunil Behl as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for 5 (Five) consecutive years from the date of the meeting."

**18. APPOINTMENT OF MR. ARUN SINGHAL AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 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 clause 49 of the Listing Agreement, Mr. Arun Singhal who was appointed as a Director liable to retire by rotation 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. Arun Singhal as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for 5 (Five) consecutive years from the date of the meeting."

**19. APPOINTMENT OF MR. PREM KUMAR CHADHA AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 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 clause 49 of the Listing Agreement, Mr. Prem Kumar Chadha, Director of the Company who was appointed as a Director liable to retire by rotation 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. Prem Kumar Chadha as a candidate for the office of the director of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation for 5 (Five) consecutive years from the date of the meeting."

**20. APPOINTMENT OF Dr. BHAVNA CHADHA AS AN INDEPENDENT DIRECTOR**

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

**"RESOLVED THAT** pursuant to the requirements of provisions of Section 149, 152 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 clause 49 of the Listing Agreement, Dr. Bhavna Chadha, who was appointed as an Additional Director with effect from 7th August, 2014 under the provisions of Section 161 of the Companies Act, 2013, and who holds such office up to the date of this Annual General Meeting of the Company and in respect of whom a notice under the provisions of Section 160 of the Companies Act, 2013 has been received proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for 2 (Two) consecutive years from the date of the meeting."

**21. APPOINTMENT OF MR. DEEPAK THAKKAR AS NON-EXECUTIVE DIRECTOR**

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

**"RESOLVED THAT** pursuant to the requirements of 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 clause 49 of the Listing Agreement, Mr. Deepak Thakkar, who was appointed as an Additional Director with effect from 7th August, 2014 under the provisions of Section 161 of the Companies Act, 2013, and who holds such office up to the date of this Annual General Meeting of the Company and in respect of whom a notice under the provisions of Section 160 of the Companies Act, 2013 has been received proposing his candidature for the office of Director, be and is hereby appointed as an Non Executive Director of the Company, liable to retire by rotation, for 2 (Two) consecutive years from the date of the meeting."

**22. BORROW MONEY IN EXCESS OF PAID UP SHARE CAPITAL AND FREE RESERVE OF THE COMPANY**

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

**"RESOLVED THAT** subject to the provisions of Sections 180 (1) (c) and all other applicable provisions of the Companies Act, 2013 and rules thereof including any statutory modification(s) or re-enactment thereof and Articles of Association of the Company and in supersession of all the earlier resolutions passed in this regard, consent of the Company be and is hereby accorded to the Board of Directors to borrow money for and on behalf of the Company from time to time and without prejudice to the generality thereof by way of loans, advances, credits, banking financial facilities, bonds or otherwise from any Bank or Banks or any Financial Institutions or other person or persons situated in India or abroad either in Indian rupees or foreign currency through such mode as may be permitted by the law from time to time as may be deemed appropriate by the Board, notwithstanding that the money so borrowed by the Company, together with the moneys already borrowed by the Company, (apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided such excess amount so borrowed by the Board and outstanding shall not at any time exceed the limits of Rs. 100 Crores (Rupees Hundred Crores only)."

By Order of the Board

Place : New Delhi  
Date : August 07, 2014

Vikas Kumar Tak  
Company Secretary

## NOTES:-

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 with respect to special business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF IN THE MEETING INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The proxy, in order to be effective, must be deposited at the Corporate Office of the Company, C-113, Naraina Industrial Area, Phase-I, New Delhi-110 028 or its Registrar and Share Transfer Agent M/s Link Intime India (Private) Limited 44, Community Centre, 2nd Floor, Naraina Industrial area Phase-I, New Delhi-110028 not less than **forty eight** hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25th August, 2014 to 28th August, 2014 (both days inclusive) in connection with the AGM and for the purpose of Dividend.
5. Dividend @ Rs 0.40/- per share (20%) for the year ended 31st March, 2014 as recommended by the Board if declared at AGM will be payable to those members whose name appears on the Company's Register of Members at the close of business hours on 23rd August, 2014.
6. Members holding shares in physical form are advised to notify to the Registrar and Share Transfer Agent of the company of any change in their addresses immediately.
7. Members holding shares in De-mat form are advised to notify to their respective Depository Participant of any changes in their addresses and particulars of their bank accounts immediately.
8. Members who are yet to register their email addresses with the Company or with the Depository are once again requested to register the same. The form for registration of email addresses with Company can be downloaded from the Company's website [www.archiesonline.com](http://www.archiesonline.com).
9. Members/Proxies are requested to produce the attendance slip, duly completed and signed, for admission to the meeting hall.
10. Pursuant to the provisions of Section 124 of the Companies Act, 2013, any dividend, which remains unpaid or unclaimed for a period of seven years shall be transferred to Investor Education and Protection Fund.  
  
Members who have not encashed their dividend warrants are requested to send back their warrants for revalidation or lodge their claims to our Registrar and Share Transfer Agent.  
  
Members are advised that once the unclaimed dividend is transferred to the above fund, no claim shall lie from the company in respect thereof.
11. The annual report of the Company circulated to the Members of the Company, will be made available on the Company's website [www.archiesonline.com](http://www.archiesonline.com).
12. Pursuant to the requirements on Corporate Governance under clause 49 of the Listing agreement entered into with stock exchanges, the information about the Directors proposed to be appointed / re-appointed are furnished and forms a part of this Notice.
13. In terms of Section 108 of the Companies Act, 2013 read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting (e-voting) in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed M/s P B & Associates as the Scrutinizer for this purpose.

## 14. E-Voting Instructions

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

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	<p><b>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</b></p> <ul style="list-style-type: none"> <li>• <b>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</b></li> <li>• <b>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</b></li> </ul>
<b>DOB</b>	<p><b>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</b></p>
<b>Dividend Bank Details</b>	<p><b>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</b></p> <ul style="list-style-type: none"> <li>• <b>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</b></li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> 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.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

#### **In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins at 9.00 A.M. on 16th September, 2014 and ends on 9.00 P.M. on 18th September, 2014. 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 25th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

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

Name of Director	Mr. Anil Moolchandani	Mr. Dilip Seth	Mr. Sunil Behl	Mr. Arun Singhal	Mr. Prem Kumar Chadha	Dr. Bhavna Chadha	Mr. Deepak Thakkar
Age	61 years	47 years	55 years	51 years	76 years	40 Years	39 Years
Expertise In Specific functional areas	Over 38 years' of Management experience in the Social Expression Industry & one of the promoters of the Company.	Over 23 years' of experience in field of Finance, Taxation, Accounts.	Over 30 years' of experience in the field of Finance, Taxation, Accounts and Audit.	Over 25 years' of experience in the field of Capital Market, Income Tax, ROC matters, Company Audits, Bank Audits, Insurance Company Audits etc.	Over 36 years' of experience in the Manufacturing, Supply Chain and General Management Functions in the Unilever Group in India, Uk, Japan and the Netherlands and thereafter he retired in 1998 as Senior Vice President, Manufacturing and Supply Chain, Unilever NV, Rotterdam after 36 years service with the Unilever group	Over 16 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 20 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.
Qualifications	B.A.	FCA	FCA	B. Com (Hons), FCA	Graduate in Mechanical Engineering	PHD & Masters in Psychology	MBA from YMCA New Delhi
List of other Companies in which Directorships held	Nil	Nil	Nil	(1) Database Investment Service (I) Ltd. (2) Sunita Gupta Share Brokers Ltd.	1)Sona Koyo Steering System Ltd 2)SOWIL Ltd	Nil	Nil
Chairman/ Member of committees of the Board of other Companies in Which he is a director	Nil	Nil	Nil	Nil	Sona Koyo Steering System Ltd	Nil	Nil

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

### Item No. 6-15

The resolution is moved in conformity of provisions of Section 143(8) of the Companies Act, 2013 for the appointment of Branch Auditors for the audit of the accounts of the Company's branch offices at Mumbai, Pune, Goa, Chennai, Ahmedabad, Kolkatta, Bhubheshwar, Indore, Bangalore, Ludhiana, Chandigarh, Hyderabad & Kochi. It is desirable to appoint the Branch Auditors in Item no 6-15 for audit of accounts of respective branches and to hold office from the conclusion of this Annual General Meeting upto the conclusion of Twenty Seven 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 and their relatives is interested or have any concern in the resolution.

#### Item No. 16

The Board of Directors at its meeting held on August 7, 2013, appointed Mr. Dilip Seth as Additional Director of the Company with effect from August 07, 2013, pursuant to relevant provisions of the Companies Act and designated him as Director (Finance) of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013 Mr. Dilip Seth will hold office up to the date of the ensuing Annual General Meeting. 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 Rs. 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 Board of Directors and Remuneration Committee recommended for 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 appointment are as under :-

1. **Term** : August 7, 2013 to August 6, 2016
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 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 Schedule V of the Companies Act, 2013 having regard to the effective capital of the Company.

Pursuant to the provisions of Section-203 the Board of Directors at its meeting held on May 16, 2014 re-designated Mr. Dilip Seth as Director (Finance) & CFO of the Company.

Appointment of Mr. Dilip Seth as a Director (Finance) & CFO of the Company requires the approval of the members of the Company under section 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and other relevant provisions and rules of Companies Act, 2013.

Mr. Dilip Seth, is interested in the resolution set out at Item No. 16 of the Notice.

The relatives of Mr. Dilip Seth may be deemed to be interested in the resolution set out at Item no. 16 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the Directors, 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. 16 for the approval of the members.

#### Item No. 17, 18 & 19

Mr. Sunil Behl and Mr. Arun Singhal are Independent Directors of the Company and have held the positions as such for more than 10 (Ten) years. Mr. Prem Kumar Chadha is another Non-Executive (Independent) Director of the Company. He joined the Board of Directors in November 2011.

Pursuant to the provisions of Companies Act, 2013, it is proposed to appoint Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (Five) consecutive years for a term up to the conclusion of the 29th Annual General Meeting of the Company in the calendar year 2019.

Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha are not disqualified from being appointed as Directors in terms of Section 164 of the Act

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha for the office of the Directors of the Company.

The Company has also received declarations from Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under clause 49 of the Listing Agreement.

In opinion of the Board Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing agreement.

Mr. Sunil Behl, Mr. Arun Singhal and Mr. Prem Kumar Chadha, are interested in the resolutions set out respectively at Item No. 17, 18 and 19 of the Notice with regard to their respective appointment. Save and except the above, none of the Directors, 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. 17, 18 and 19 for your approval.

#### **Item No. 20**

The Board of Directors of the Company at its meeting held on 7th August, 2014 recommend for the approval of members, the appointment of Dr. Bhavna Chadha as an independent Director of the Company, in terms of Section 149 read with Schedule IV of the Companies Act 2013 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 16 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 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 and under clause 49 of the Listing Agreement.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Dr. Bhavna Chadha for the office of the Director of the Company.

Dr. Bhavna Chadha, is interested in the resolutions set out at Item No. 20 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. 20 for your approval

#### **Item No. 21**

The Board of Directors of the Company at its meeting held on 7th August, 2014 recommend for the approval of members, the appointment of Mr. Deepak Thakkar Din 00888165 as an 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 20 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 notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of Mr. Deepak Thakkar for the office of the Director of the Company.

Mr. Deepak Thakkar, is interested in the resolutions set out at Item No. 21 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. 21 for your approval

#### **Item No. 22**

Members of the Company at the Annual General Meeting held on September 25, 2007 had authorized the Board under Section 293(1)(d) of the Companies Act, 1956 to borrow monies up to Rs. 100 crores (Rupees Hundred Crores only).

To comply with the provision of Section 180 (1) (c) of the Companies Act, 2013, for borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company, is required under the new Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested in the resolution.

The Board recommends the resolution set forth in Item no. 22 for the approval of the members.

By Order of the Board

Place : New Delhi  
Date : August 07, 2014

Vikas Kumar Tak  
Company Secretary

## DIRECTORS REPORT

To The Members,

Your Directors have great pleasure in presenting Twenty Fourth Annual Report of the Company together with the Audited Annual Accounts for the year ended 31<sup>st</sup> March, 2014.

## FINANCIAL HIGHLIGHTS

### FOR THE YEAR ENDED

(₹ in Lacs)

	31st March 2014	31st March 2013
Income from Operations	<b>19630.89</b>	20127.74
Other Income	<b>91.70</b>	23.93
Total Expenditure	<b>18164.36</b>	18388.50
Operating Profit (PBDIT)	<b>1558.23</b>	1763.17
Interest & Finance Charge	<b>277.77</b>	224.80
Depreciation	<b>510.45</b>	487.49
Profit before Tax (PBT)	<b>770.01</b>	1050.88
Provision for taxation		
Current	<b>222.62</b>	350.39
Deferred	<b>23.15</b>	(0.26)
Net Profit / (Loss) (PAT)	<b>524.24</b>	700.75

## APPROPRIATIONS

Transfer to General Reserve	<b>150.00</b>	150.00
Final Dividend (Proposed)	<b>135.12</b>	135.12
Tax on Dividend	<b>22.96</b>	22.96
Profit carried to Balance Sheet	<b>216.16</b>	392.67

## PERFORMANCE REVIEW

During the year under review your Company recorded a turnover of ₹ **19630.89** Lacs as compared to ₹ **20127.74** Lacs in the previous financial year, down by **2.47%**. The Net Profit for the same period stands at ₹ **524.24** Lacs as against Net profit of ₹ **700.75** Lacs in the previous year.

In the challenging market scenario there has been slight dip in the Sales and the Profitability of the Company. The turnover of the company constitutes of:

- The Turnover of the Gift segment is ₹ **12343.93** Lacs as compared to ₹ **12486.48** Lacs previous year, down by **1.14%**.
- The Turnover of the Greeting card segment is ₹ **4553.80** Lacs as compared to ₹ **4854.56** Lacs previous year, down by **6.20%**.
- The stationery sale is ₹ **2599.86** Lacs as compared to ₹ **2613.29** Lacs in the previous year, down by **0.51%**.

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

## RETAIL EXPANSION

The Company continues its efforts to boost sales through different 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 35 retail stores. As on 31st March, 2014 the number of company owned/managed stores were 240.

The Company during the year took steps to improve profitability of non performing stores and management took the bold step to close

32 non performing stores during the year, majority of which were incurring losses. Company had to vacate few stores due to expiry of lease period. In some performing stores where lease has expired or is going to expire, management is in talks with the owners for extension of lease and is also looking for alternative location for the outlets in the same mall or high street accordingly.

Your Company will continue with its efforts to open new outlets across India. With expectation of improvement in economy, your Company has plans to open 25 more stores including Archies & Hallmark Stores during the year 2014-15.

## DIVIDEND

Board of Directors recommended a dividend of 20% equivalent to ₹ 0.40/- on each fully paid-up equity share of ₹ 2/- for the year ended 31st March, 2014. The dividend will entail an outflow of ₹ 135.12 Lacs excluding taxes. The dividend, in the opinion of the Board represents a prudent balance between the need for the Company to reward its shareholders as well as the need to plough back the profits for the Company's own requirements.

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

The information as required under section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' to the Directors' Report.

## PARTICULARS OF EMPLOYEES

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 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

## DIRECTORS

Pursuant to the provisions of relevant provisions of Companies Act, 1956, Mr. Dilip Seth was appointed as an Additional Director on 7th August, 2013 and he holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing Mr. Dilip Seth as Whole Time Director of the Company. Pursuant to Section 203 of Companies Act, 2013 Mr. Dilip Seth was also appointed as CFO of the Company w.e.f. 16th May 2014 and is now designated as Director (Finance) and CFO.

Mr. Vijayant Chhabra, Whole time Director, resigned as Director and was appointed as Chief Executive Officer with effect from 16th May, 2014 of the Company pursuant to Section - 203 of Companies Act, 2013. The Board placed on records its appreciation and gratitude for his guidance and contribution to the Company and was confident that his stint as CEO of the Company will help the company to reach new levels.

The Companies Act, 2013 provides for appointment of independent directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that independent directors shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company.

Pursuant to Section 149 of the Companies Act, 2013 the Board of Directors recommends the reappointment of Mr. Sunil Behl, Mr. Prem Kumar Chadha and Mr. Arun Singhal as Independent Director for another term of five years.

During the year Dr. Bhavna Chadha was appointed as additional director on 7th August 2014 and holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing Dr. Bhavna Chadha as Independent Director of the Company pursuant to Section 149 of Companies Act, 2013 for two years.

During the year Mr. Deepak Thakkar was appointed as additional director on 7th August 2014 and holds office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from a member proposing Mr. Deepak Thakkar as Non Executive Director of the Company for a period of two years pursuant to the relevant provisions of Companies Act, 2013.

Mr. Ajit Ganpatlal Shah Independent Director of the Company had conveyed his intention not to continue on Board due to his preoccupation and has been relieved from the post of independent director w.e.f 7th August, 2014.

Mr. Pramod Arora, Jt. Managing Director who was eligible for reappointment but has not offered himself for reappointment as director due to personal reasons.

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of Companies Act, 2013 and under Clause - 49 of listing Agreement with the Stock Exchanges.

#### AUDITORS

M/s Uberoi Sood and Kapoor, Chartered Accountants, the Statutory Auditors of the company retire at the conclusion of the ensuing Annual General Meeting of the company and are eligible for reappointment 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 141 (3)(g) 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 for next three years till the financial year 2016-17.

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

#### COST AUDITORS

The Board of Directors have appointed Cost Auditors-M/s. Harish Bhagat & Associates, Cost Accountants in compliance with section 148 of Companies Act, 2013 and relevant rules applicable for appointment of Cost Auditor. However as per the new Companies (Cost Records and audit) Rules, 2014 the appointment of Cost Auditor is not required for your company. The Board have decided in their meeting held on 7th August, 2014 not to appoint cost auditor in the general meeting as the provisions are not applicable on the Company.

#### CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of the Company have constituted Corporate Social Responsibility (CSR) committee pursuant to Section 135 of Companies Act, 2013, schedule VII and relevant rules and provisions comprising Mr. Sunil Behl (Chairperson), Mr. Anil Moolchandani and Mr. Dilip Seth as members of the Committee on 16th May, 2014. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (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.

#### PUBLIC DEPOSITS

During the year, your Company has not accepted and/or renewed any public deposits in terms of the provisions of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules, 1975. No Public Deposits were pending for repayment.

#### INDUSTRIAL RELATIONS

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

#### 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 217(2AA) of the Companies (Amendment) Act, 2000:

- (i) That in the preparation of the annual accounts for the year ended 31st March 2014, 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 of the state of affairs of the Company as at 31st March, 2014 and of the profit or loss of the Company for the year ended on that date;
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That the annual accounts have been prepared on a going concern basis.

#### CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance and Management Discussion and Analysis Report together with a certificate from the Company's Auditors confirming compliance is set out in the annexure forming part of this report.

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

#### ACKNOWLEDGMENT

Your Directors would like to take this opportunity to express their sincere thanks to its valued franchisees, distributors, C & F agents, collaborators, bankers 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 : 07th August, 2014

Anil Moolchandani  
Chairman-cum-Managing Director

Pramod Arora  
Jt. Managing Director

## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### A) Conservation of Energy

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

### B) Technology Absorption

Efforts made in Technology Absorption are as per Form B.

#### Form B

#### Research and Development ( R & D )

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Specific areas in which R &amp; D carried out by the Company.</li> <li>2. Benefits derived as a result of the above R &amp; D.</li> <li>3. Future plan of action.</li> <li>4. Expenditure on R &amp; D: <ol style="list-style-type: none"> <li>(a) Capital</li> <li>(b) Recurring</li> <li>(c) Total</li> <li>(d) Total R &amp; D expenditure as a percentage of total turnover</li> </ol> </li> </ol> | Not applicable as the Company has no R & D Department |
|--|---|

#### Technology absorption, adaptation and innovation

- |   |  |
|---|--|
| <ol style="list-style-type: none"> <li>1. Efforts, in brief, made towards technology absorption, adaptation and innovation</li> </ol> | 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. |
|---|--|

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.</li> <li>3. In case of imported technology (imported during the last 5 years), following information may be furnished: <ol style="list-style-type: none"> <li>(a) Technology imported</li> <li>(b) Year of import</li> <li>(c) Has technology been fully absorbed?</li> <li>(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.</li> </ol> </li> </ol> | 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. |
|---|---|

Not applicable

#### 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, UAE, UK, Mauritius, Kuwait, Egypt, Kenya, Zambia, Russia, Oman and Canada. 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 2014	31st March 2013
(A) TOTAL FOREIGN EXCHANGE EARNED	340.29	377.53
(B) TOTAL FOREIGN EXCHANGE USED	2922.92	3284.83

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

This report contains statements that the Company's beliefs, may be considered to be "Forward Looking Statements" that describe our objectives, 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 cards business in general. However, this segment has the potential to bounce back.

The Company has developed into a gifting solution destination for the consumers and has enhanced its reach to come near to the Customers, with opening of retail outlets in various cities in India. As on 31.03.2014 the Company is having 240 Company owned and operated retail outlets and is planning to open more stores.

This business is based on sentiments both at the micro and macro level.

### Opportunities and Threats

Your Company continues to increase its Pan-India footprint. The Company's strategy is to increase the number of outlets and therefore improve citywise penetration in new cities and open new stores in tier II & tier III cities.

Even though the realty sector is under stress but organized retailing has been developing in different parts of the country. Huge retail space is being created across the country and your company's constant endeavor is to be present in most of the locations. This offers a good opportunity for your Company.

However during last year there has been stress on the retail sector as the rental costs are increasing day by day for good locations and the opening of new malls is affecting the footfall in existing malls.

Even the Government nod to FDI in multi brand retail has not created much activity in the sector. We believe if there is relaxation in the norms of FDI in multi brand, it will boost the opening of large format stores such as Hyper Markets, super departmental stores. There is an opportunity available for us to join hands with these large format stores for selling our products through these kinds of stores, which have tremendous dedicated footfalls. Our industry is already a part and parcel of such formats in the West.

Modern Trade is another area where we have ventured and are hopeful that the returns will improve in the years to come when the economy is in the recovery mode. Archies may go for opening of large format stores by tying up with like-minded retailers with synergetic products.

Overseas markets offer vast opportunities, which are to be explored. 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 e-greetings, SMS text messaging service pose a threat to our greeting cards business. Your Company has already initiated various measures to combat these developments.

Our HelpAge and CRY card divisions are geared up to increase their share in the Corporate Card Segment.

### Risks and Concerns

Macro-economic factors like a downturn in the economy, unforeseen political and social upheavals, natural calamities are likely to affect the business of your company as also the industry at large.

Change in Government's fiscal policy also has a bearing on the Company's performance.

Lack of organized players as well as organized market is another area of concern.

Slowdown in retail space creation due to the global and local uncertainties affect the retail expansion plans.

Rent is one of the largest components in retail business. The Rentals for the premiere locations are always on upward trend and are expected to harden once again in the near term.

Retailer's needs and expectations are as different as the customers they serve, which is also challenge to growth.

The fluctuation in dollar price is also adversely affecting the cost of imported goods purchased by your Company.

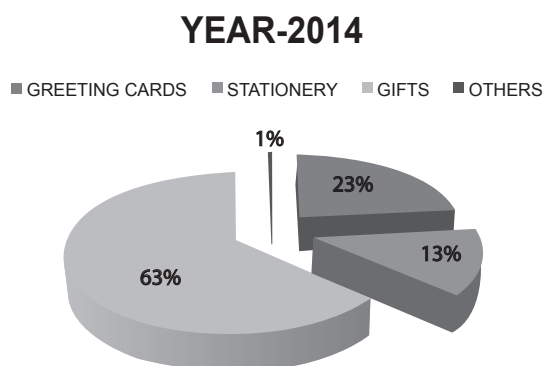
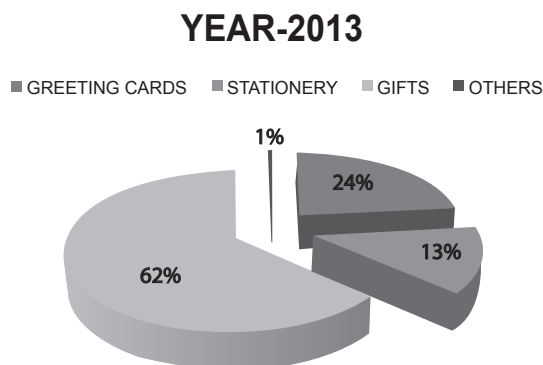
### Product Wise Performance

The Turnover of the Gift segment was ₹ 12343.93 lacs during the year under review as compared to ₹ 12486.48 lacs last year, down by 1.14%. The Gifts segment contributed about 62.98% of the total turnover during the current year as compared to 62.16% in the previous year.

The Greeting Cards sale was ₹ 4553.80 lacs during the year under review as compared to ₹ 4854.56 lacs during the last year. The contribution of greeting cards sales to the total turnover now stands at 23.23% as compared to 24.17% in the previous year. During the year under review the sales of Greeting Cards decreased by 6.20% in value terms.

The Stationery items sale was ₹ 2599.86 lacs during the year under review as compared to ₹ 2613.29 lacs during the Last Year down by 0.51%. The contribution of Stationery items sales to the total turnover stands about 13.26% as compared to 13.01% in the previous year.

#### Contributions of Segment in Total Sales



#### Outlook

The Greeting Cards business during the year was again under pressure. But the company is working on various strategies to counter the negative effects. With tieup with American Greeting & Hallmark we are quite confident that Greeting Cards business should show positive signs in the coming years. Your Company is also endeavoring for obtaining designs from various other Companies and different type of greeting cards like musical, deco etc.

The turnover of the Gifts segment has been higher than the Greeting Card segment. But during the year under review the Gift segment was down by 1.14%. The stationary segment was also down by 0.51% in the current year. We are hopeful that these segments will improve with revival in economy.

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. Tie up with Hallmark has opened the opportunity to open Hallmark Stores in India which will be owned/managed by your Company. Your company has opened 5 Hallmark stores during the year and the total no of Archies and Hallmark Stores opened by your Company in PAN India as on 31.03.2014 is 240.

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

Your company has plans to open additional 90 stores in various shopping malls and high streets across the country in phased manner over a period of next 3 years. The management expects that the Company will benefit only if it opens retail stores in selective malls and also open shops on high streets with premium locations.

Your company has plans to expand its business overseas.

#### Internal Control Systems and their Adequacy

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

#### Financial performance with respect to operating performance

The Company recorded a turnover of ₹ 19630.89 lacs for the financial year 2013-14 as compared to ₹ 20127.74 lacs in the previous year down by 2.47%. The sale of Gifts Segment was down by around 1.14%, Greeting Cards Segment sale was down by 6.20% and Stationery segment was also marginally down by 0.51%.

Inventory as on 31st March 2014 stands at ₹ 3,986.03 Lacs as against ₹ 4,412.15 Lacs during previous year.

Debtors as on 31st March 2014 stand at ₹ 2112.10 lacs as against ₹ 1856.46 lacs during the previous year.

#### Human Resources / Industrial Relations

Industrial Relations at Archies have always been cordial. This is because all employees, managers and workmen have always lived in the value of teamwork and belongingness, alike. Last year was no different. The Industrial Relations continued to be cordial and amicable. All the employees of the Company continue to work as one cohesive team devoted to a common goal of spreading happiness and prosperity.

As at March 31, 2014 the total employees strength of the Company stands at 1354.

## REPORT ON CORPORATE GOVERNANCE

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

A Company as an entity deals with a number of social groups. It deploys shareholders funds, employs workmen and deals with customers and suppliers. It is a part of the social community and is accountable to all its constituents like any human being.

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

#### COMPOSITION :

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, 2014 is as follows:

Name of the Director	Category	*Other Directorships held	#Committee memberships/ chairmanship held in other Companies
Mr. Anil Moolchandani	Chairman-Cum-Managing-Director	Nil	Nil
Mr. Pramod Arora	Joint Managing Director	Nil	Nil
Mr. Vijayant Chhabra**	Executive Director	Nil	Nil
Mr. Dilip Seth***	Executive Director	Nil	Nil
Mr. Arun Singhal	Non-Executive Independent Director	2	Nil
Mr. Prem Kumar Chadha	Non-Executive Independent Director	2	1
Mr. Sunil Behl	Non-Executive Independent Director	Nil	Nil
Mr. Ajit Ganpatlal Shah**	Non-Executive Independent Director	Nil	Nil

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

\*\* Mr. Vijayant Chhabra and Mr. Ajit Ganpatlal Shah resigned from the Board w.e.f. 16th May, 2014 & 07th August, 2014 respectively.

\*\*\* - Mr. Dilip Seth was appointed to the Board with effect from 07th August, 2013 and was subsequently appointed CFO of the Company w.e.f. 16th May, 2014 to comply with Section-203 of the Companies Act, 2013.

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

#### 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 16th May 2013, 07th August 2013, 30th October 2013 and 31st January 2014.

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 16/07/2013
Mr. Anil Moolchandani	4	Yes
Mr. Jagdish Moolchandani*	1	Not Applicable
Mr. Pramod Arora	4	Yes
Mr. Vijayant Chhabra**	3	Yes
Mr. Dilip Seth***	3	Not Applicable
Mr. Arun Singhal	4	Yes
Mr. Sunil Behl	4	Yes
Mr. Ajit Ganpatlal Shah	2	No
Mr. Prem Kumar Chadha	4	No

\*- Mr. Jagdish Moolchandani retired at the Annual General Meeting held on 16th July, 2013 and was appointed as COO of the Company w.e.f. 17th July 2013

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

### 3. BOARD COMMITTEE

#### A. AUDIT COMMITTEE

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

#### Details of Audit Committee :

Name of the member	Category	Position	No. of meetings held	No. of meetings attended
Mr. Sunil Behl	Independent Director	Chairman	4	4
Mr. Arun Singhal	Independent Director	Member	4	4
Mr. Prem Kumar Chadha	Independent Director	Member	4	4

The Company Secretary acted as Secretary to the Committee. The Chief Financial Officer or Finance Director and the representative of the Statutory Auditors are regularly invited to the Audit Committee meetings.

#### The terms of reference include :

1. Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with the management, the annual and periodical financial statements before submission to the Board, focusing primarily on:
  - i. 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.
  - ii. Any changes in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Compliance with the Accounting Standards.
  - vii. Disclosure of any related party transaction.
  - viii. Qualifications in the draft audit report.
  - ix. The going concern assumption.
4. 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.
5. Reviewing and monitor the auditors independence and performance and effectiveness of audit process.
6. Approval or any subsequent modification of transactions of the company with related parties.
7. Scrutiny of inter-corporate loans and investments.
8. Valuation of undertaking or assets of the company, wherever it is necessary
9. Evaluation of internal financial controls and risk management systems
10. Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems
11. 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.
12. Discussion with internal auditors, any significant findings and follow-up thereon
13. 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
14. 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;

\*\*\* - Mr. Dilip Seth was appointed to the Board with effect from 07th August, 2013 and was subsequently appointed CFO of the Company w.e.f. 16th May, 2014 to comply with Section-203 of the Companies Act, 2013.

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

The Audit Committee met four times during the year under review. Meetings were held on 16th May 2013, 07th August 2013, 30th October 2013 and 31st January 2014. The necessary quorum was present at all the Meetings.

15. 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;
16. To review the functioning of the Whistle Blower mechanism;
17. 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;
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
19. Reviewing the following information:
  1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters / letters of internal control weakness issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses; and
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

#### **B. NOMINATION AND REMUNERATION COMMITTEE OF DIRECTORS**

The Nomination and Remuneration Committee was constituted by the Board on April 03, 2014 pursuant to relevant provisions of Companies Act, 2013 and Clause 49 of Listing Agreement consequent to dissolution of Remuneration Committee. The Nomination & Remuneration committee was comprised of the following independent Directors:

Mr Sunil Behl	- Chairman
Mr. P.K. Chadha	- Member
Mr Arun Singhal	- Member

#### **The terms of reference include :**

1. 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.
2. To carry out evaluation of every Director's performance.
3. 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;
4. To formulate the criteria for evaluation of Independent Directors and the Board;
5. Devising a policy on Board diversity;
6. To recommend/review remuneration of the Managing Director(s) and Whole Time Director(s) based on their performance and defined assessment criteria
7. 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

Prior to Nomination & remuneration committee most of the functions were taken care by Remuneration committee which was dissolved after the constitution of Nomination & Remuneration Committee on 03rd April, 2014. In the Financial year 2013-14, one meeting of the Remuneration Committee was held on 7th August, 2013

#### **Details of Meeting(s) of Remuneration Committee**

Members	No. of Meetings Held	No. of Meetings attended
Mr. Sunil Behl	1	1
Mr. P.K. Chadha	1	1
Mr. Arun Singhal	1	1

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

#### **Details of remuneration/sitting fees paid to the Directors during the financial year 2013-2014 :**

##### **Executive Directors**

(₹)

Particulars	Mr. Anil Moolchandani Chairman-cum- Managing Director	Mr. Jagdish Moolchandani Executive Director (Upto 16th July 2013)	Mr. Pramod Arora Joint Managing Director	Mr. Vijayant Chhabra Executive Director	Mr. Dilip Seth (Appointed As Additional Director from 07th August 2013)
Salary & Allowances	3615000	1054839	3656110	3015000	1637043
Contribution to Provident Fund	-	-	-	9360	6089
Total	3615000	1054839	3656110	3024360	1643132
Service Contract	Five Years w.e.f. 1/07/2011	Five Years w.e.f. 1/07/2011	Five Years w.e.f. 1/10/2009	Five Years w.e.f. 21/05/2009	Three Years w.e.f. 07/08/2013
Notice Period	Six months by either party	Six months by either party	Six months by either party	Three months by either party	One month by either party

## NON-EXECUTIVE DIRECTORS

The company pays sitting fee to all Non-Executive Directors for attending meetings of the Board and its committees. The details of the sitting fees paid to the Non-Executive Directors during the financial year 2013-14 are given below :

Directors	Sitting Fees (₹)*
Mr. Sunil Behl	61798
Mr. Arun Singhal	61798
Mr. Ajit Ganpat Lal Shah	16854
Mr. Prem Kumar Chadha	61798
<b>Total</b>	<b>202248</b>

\*- Including Service Tax

## C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The composition of the Committee is as under:

Mr. Arun Singhal	Chairman
Mr. Anil Moolchandani	Member
Mr. Dilip Seth	Member

Compliance officer :

Mr. Vikas Kumar Tak	Company Secretary
---------------------	-------------------

The 'Stakeholders Relationship Committee' was constituted by the Board on May 16, 2014 pursuant to relevant provisions of Companies Act, 2013 & Clause 49 of the Listing Agreement consequent to dissolution of Investor Grievance Committee. The Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders' / investors' / security holders complaints.

## 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
16th July 2013	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	No Special Resolution Passed
27th September' 2012	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	Four
30th September' 2011	Manesar Club Sector-5, IMT Manesar Gurgaon, Haryana-122050	11.00 A.M.	Two

## Special Resolution Passed Through Postal Ballot

No special resolution was passed through postal ballot during the Financial year ended 2013-14

## 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.

The role of the Committee is in accordance with Companies Act, 2013 & the listing agreement. It primarily includes:

1. To look into complaints received from shareholders like transfer of shares, non-receipt of annual report, non-receipt of dividend or any other complaints.
2. To look, consider & resolve the redressal of grievances of shareholders, debenture holders and other security holders.
3. One meeting of the Committee was held as on 31st March 2014.
4. 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, 2014 is as under:

No. of Complaints opening	Nil
No. of Complaints received	9
No. of Complaints resolved	9
No. of Complaints pending	Nil

## D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Pursuant to Companies Act, 2013 & Listing agreement Corporate Social Responsibility (CSR Committee) was formed by the Board of Directors in their meeting held on 16th May, 2014. The Committee comprises Mr. Sunil Behl as Chairperson, Mr. Anil Moolchandani and Mr. Dilip Seth as members. The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (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 as per the provisions of Companies Act, 2013 & Listing Agreement.

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

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

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

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

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

## 7. GENERAL SHAREHOLDERS' INFORMATION

### I) Annual General Meeting

Date	23rd September, 2014
Time	11.00 A.M.
Venue	Manesar Club Sector-5, IMT Manesar, Gurgaon Haryana-122050.

### II) Financial Calendar

Financial Year	April 1 to March 31
During the year ended March 31, 2014 results were published on the following dates :	
Annual Audited Financial Result	17th May 2013 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
First Quarter Results	08th August 2013 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
Second Quarter Results	31st October 2013 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)
Third Quarter Results	01st February 2014 (Financial Express, Delhi & Mumbai Editions; and Jansatta (Hindi), Delhi Edition)

## 6. MEANS OF COMMUNICATION

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

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

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

### III) Book Closure Dates

25th August, 2014 to 28th August 2014  
(Both Days Inclusive)

### IV) Dividend Payment Dates

At the meeting of Board of Directors held on 16th May, 2014, a final dividend @ 20% i.e. ₹ 0.40/- per share has been recommended, subject to the approval of shareholders in Annual General Meeting. The same, if approved, will be paid on or after 24th September, 2014.

### V) Listing at Stock Exchanges

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

#### National Stock Exchange of India Ltd.

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

#### The Bombay Stock Exchange Ltd.

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai-400001

The Company has paid listing fee to National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. for the year 2014-2015.

### VI) Stock Code

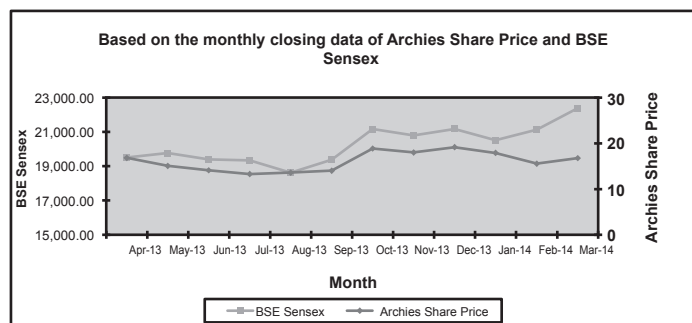
The Bombay Stock Exchange Ltd.	532212
National Stock Exchange of India Ltd.	ARCHIES
ISIN NO.	INE731A01020

## VII) Market Price Data

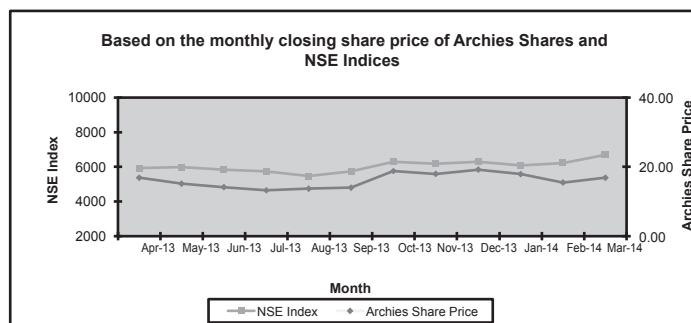
Monthly high & low price of shares of your Company and no. of shares traded at Bombay and National Stock Exchanges are as under :

Month	BSE			NSE		
	High	Low	No. of shares traded	High	Low	No. of shares traded
April 2013	19.80	15.25	347802	19.70	15.00	972423
May 2013	18.80	15.00	377725	18.80	15.05	1020259
June 2013	16.00	13.60	151967	16.30	13.50	532516
July 2013	17.95	13.01	510213	17.95	13.10	1385692
August 2013	17.40	13.00	598004	17.45	13.00	1811196
September 2013	16.00	13.15	162930	16.00	13.30	828345
October 2013	22.45	14.00	2192806	22.50	13.70	5614148
November 2013	20.25	15.75	712117	20.15	17.00	1907873
December 2013	20.40	17.45	760263	20.50	17.55	2354811
January 2014	24.20	17.10	3893893	24.00	16.80	10306715
February 2014	19.50	15.50	838072	19.50	15.45	2489289
March 2014	16.85	15.45	583128	17.00	15.35	1597184

## VIII) 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.

**IX) 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

**X) Share Transfer System**

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

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

**XI) Distribution of Shareholdings :**

	AS ON MARCH 31							
	2014				2013			
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	11,738	77.193	19,67,998	5.826	11,964	78.458	20,00,931	5.923
501— 1000	1,735	11.410	15,35,755	4.546	1,667	10.932	14,65,029	4.337
1001 — 2000	774	5.090	12,56,328	3.719	689	4.518	11,21,069	3.319
2001 — 3000	305	2.006	7,95,600	2.355	291	1.908	7,51,850	2.226
3001— 4000	144	0.947	5,35,702	1.586	158	1.036	5,88,055	1.741
4001— 5000	148	0.973	7,14,967	2.117	145	0.951	6,92,008	2.049
5001— 10000	202	1.329	15,26,915	4.520	168	1.102	12,60,516	3.731
10001 & above	160	1.052	25,446,735	75.331	167	1.095	25,900,542	76.674
<b>Total</b>	<b>15,206</b>	<b>100.00</b>	<b>3,37,80,000</b>	<b>100.00</b>	<b>15,249</b>	<b>100.00</b>	<b>3,37,80,000</b>	<b>100.00</b>

**XII) Categories of Shareholders :**

	AS ON MARCH 31					
	2014			2013		
Category	No. of Shareholders	No. of Shares held	% of total Shares	No. of Shareholders	No. of Shares held	% of total Shares
Individuals	14632	10207336	30.22	14615	9914697	29.35
Body Corporates/Clearing Member/Trusts/H.U.F.	458	2462055	7.29	512	2755346	8.16
NRIs / OCBs / FIIs/FFIs	106	180509	0.53	109	152307	0.45
Mutual Funds/Banks/ Insurance Company/FIs	2	75500	0.22	5	103050	0.30
Promoters	8	20854600	61.74	8	20854600	61.74
<b>Total</b>	<b>15,206</b>	<b>3,37,80,000</b>	<b>100.00</b>	<b>15,249</b>	<b>3,37,80,000</b>	<b>100.00</b>

**XIII) Dematerialisation of shares and liquidity**

As on 31st March, 2014, 98.99% of total shareholding is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Only 1.01% of the total shareholding is held in physical form as on 31st March, 2014.

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

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

NA

**XV) Plant Locations**

The plant is located at Plot No. 260, Sector-6, IMT Manesar, Gurgaon, Haryana and Plot No. 191F, Sector-4, IMT Manesar, Gurgaon, Haryana

**XVI) Address for correspondence**

ARCHIES LIMITED  
C-113, Naraina Industrial Area  
Phase-I, New Delhi-110028  
Tel : 011 - 41412222, 41410000  
Fax : 011 - 41410060  
Email : vikas.tak@archiesonline.com

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To the members of  
**Archies Limited**

We have examined the compliance of conditions of Corporate Governance by Archies Limited for the year ended on 31 March 2014 as stipulated in clause 49 of Listing Agreement of the said company with stock exchange.

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

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

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

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

Place : New Delhi  
Date : 07 August, 2014

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

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

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

This is further confirmed that the company has, in respect of the financial year ended March 31, 2014, received from the senior management personnel and members of the Board of Directors, a declaration of compliance with the Code of Conduct as applicable to them.

**Place : New Delhi**

**Date : 07th August, 2014**

**Anil Moolchandani**

**Chairman-cum-Managing Director**

**Dilip Seth**

**Director (Finance) & CFO**

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### **CEO AND CFO CERTIFICATION**

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

- (a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief :
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept the responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee, and steps have been taken to rectify these deficiencies.
- (d)
  - i. There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; except as mentioned in the notes to accounts.
  - iii. We are not aware of any instance during the year, of any significant fraud and the involvement therein of the management or any employee having a significant role in the company's internal control system over financial reporting.

**Place : New Delhi**

**Date : 16th May, 2014**

**Dilip Seth**

**Director (Finance) & CFO**

**Anil Moolchandani**

**Chairman-cum-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, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, incorporating the Branch Auditors' Report of Mumbai, Pune, Goa, Indore, Ahmedabad, Chennai, Chandigarh, Hyderabad, Ludhiana, Kolkata, Bhubaneswar, Ernakulam and Bangalore Branches.

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

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. **As required by section 227(3) of the Act, we report that:**

- a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- bb. the report on the accounts of the branch offices audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause (c) of sub-section (3) of section 228 and have dealt with in preparing our report in the manner considered necessary by us;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. on the basis of written representations received from the directors as on 31 March, 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

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

**Place: New Delhi**  
**Date: 16 May 2014**

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) According to the information and explanations given to us, the management has physically verified the fixed assets at reasonable intervals. No material discrepancies were noticed on such verification as compared to the available records.  
(c) No substantial part of the fixed assets has been disposed off during the year.
2. (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
3. (a) The company has not granted any loans, secured or unsecured, to the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (iii)(b) to sub-clauses (iii)(d) of paragraph 4 of the Order are not applicable to the company.  
(b) The company has not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (iii)(f) to sub-clauses (iii)(g) of paragraph 4 of the Order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services.
5. (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Act in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public under the provisions of section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and the rules made there under.
7. In our opinion, the company has an internal audit system commensurate with the size and the nature of its business.
8. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it, except in few cases where there is a delay in deposit. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it, were outstanding as at 31 March, 2014 for a period of more than six months from the date they became payable.  
(b) According to the records of the company, there are no dues on account of any dispute of sales tax, wealth tax, service tax, custom duty, excise duty and cess, which have not been deposited 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

10. The company does not have accumulated losses. The company has not incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to a financial institution or banks.
12. Based on our examination of documents and records, we are of the opinion that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the company.
14. Based on our examination of the records, the company is not dealing or trading in shares, securities, debentures and other investments.
15. The company has not given any guarantee for loans taken by others from bank or financial institutions.
16. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the funds raised on short terms basis have not been used for long term investments.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The company has not issued any debentures.
20. No money has been raised by public issues by the company during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

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

**Place: New Delhi**  
**Date: 16 May 2014**

# BALANCE SHEET AS AT 31 MARCH 2014

(₹ in Lacs)

	NOTE	31 MARCH 2014	31 MARCH 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	675.62	675.62
Reserves and Surplus	4	10744.64	10395.34
		<b>11420.26</b>	11070.96
<b>Non-Current Liabilities</b>			
Long-Term borrowings	5	27.84	50.86
Deferred Tax Liabilities (net)	6	749.79	710.64
Other Long Term Liabilities	7	645.38	622.53
Long-Term Provisions	8	60.50	59.21
		<b>1483.51</b>	1443.24
<b>Current Liabilities</b>			
Short-Term Borrowings	9	788.39	352.39
Trade Payables	10	481.82	584.17
Other Current Liabilities	11	1152.92	1132.31
Short-Term Provisions	12	186.98	228.44
		<b>2610.11</b>	2297.31
		<b>15513.88</b>	14811.51
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets	13		
Tangible Assets		7193.63	6468.83
Capital Work-in-Progress		30.35	116.44
		<b>7223.98</b>	6585.27
Long-Term Loans and Advances	14	1281.25	1345.99
		<b>8505.23</b>	7931.26
<b>Current Assets</b>			
Inventories	15	3986.03	4412.15
Trade Receivables	16	2112.10	1856.46
Cash and Bank Balances	17	362.03	300.64
Short-Term Loans and Advances	18	548.49	311.00
		<b>7008.65</b>	6880.25
		<b>15513.88</b>	14811.51

## 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  
16th May, 2014

**For and on behalf of the Board**

Anil Moolchandani  
Chairman - cum - Managing Director

Dilip Seth  
Director (Finance) and CFO

Vikas Kumar Tak  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2014**

(₹ in Lacs)

	NOTE	31 MARCH 2014	31 MARCH 2013
<b>INCOME</b>			
<b>Revenue from Operations</b>			
Sales of Products (gross)	19	<b>19733.14</b>	20205.56
Less : Excise Duty		<b>133.27</b>	119.21
Sales of Products (net)		<b>19599.87</b>	20086.35
Other Operating Revenues		<b>31.02</b>	41.39
<b>Revenue from Operations</b>			
Other Income	20	<b>91.70</b>	23.93
<b>TOTAL REVENUE</b>			
		<b>19722.59</b>	20151.67
<b>EXPENSES</b>			
Cost of Materials Consumed	21	<b>1663.69</b>	1567.77
Purchases of Traded Goods	22	<b>5040.94</b>	6087.51
Changes in Inventories of Manufactured Goods, Work-in-Progress and Traded Goods	23	<b>466.04</b>	(142.39)
Employee Benefits Expense	24	<b>2916.78</b>	2818.74
Finance Costs	25	<b>277.77</b>	224.80
Depreciation	13	<b>510.45</b>	487.49
Other Expenses	26	<b>8076.91</b>	8056.87
<b>TOTAL EXPENSES</b>			
		<b>18952.58</b>	19100.79
<b>Profit Before Tax</b>			
		<b>770.01</b>	1050.88
<b>Tax Expense</b>			
Current Tax		<b>222.62</b>	350.39
Deferred Tax	6	<b>23.15</b>	(0.26)
<b>Profit for the Year</b>			
		<b>524.24</b>	700.75
<b>Earning Per Equity Share</b>			
Basic & Diluted (₹)		<b>1.55</b>	2.07
(Refer Note '32')			
<b>Summary of Significant Accounting Policies</b>			
	2		

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

As per our report of even date

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

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

 New Delhi  
 16th May, 2014

**For and on behalf of the Board**

 Anil Moolchandani  
 Chairman - cum - Managing Director

 Dilip Seth  
 Director (Finance) and CFO

 Vikas Kumar Tak  
 Company Secretary

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
(A) <b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	770.01	1050.88
Adjustments for:		
Depreciation	510.45	487.49
Interest Paid	177.29	118.97
Profit / Loss on Sale/Disposal of Tangible Fixed Assets	147.23	116.21
Interest Received	(7.74)	(11.76)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1597.24</b>	<b>1761.79</b>
Adjustments for:		
Trade Receivables	(255.64)	(180.94)
Inventories	426.12	143.33
Other receivables	(241.94)	(25.56)
Trade Payable and Other Liabilities	(89.42)	(148.80)
Taxes Paid (Net)	(242.43)	(343.06)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>1193.93</b>	<b>1206.76</b>
(B) <b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment towards Capital Expenditure	(1243.41)	(657.49)
Proceeds from Sale of Tangible Fixed Assets	25.12	26.98
Interest Received	7.74	11.76
Fixed Deposit placed with banks having original maturity over three months (Net)	42.86	6.54
<b>Net Cash Flow Used in Investing Activities (B)</b>	<b>(1167.69)</b>	<b>(612.21)</b>
(C) <b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds/(Repayment) from Short-Term Borrowings (Net)	436.00	(172.81)
Proceeds/(Repayment) from Long-Term Borrowings (Net)	(23.02)	(40.56)
Interest Paid	(177.29)	(118.97)
Dividend Paid (Including Tax on Dividend)	(157.68)	(156.43)
<b>Net Cash Flow Used in Financing Activities (C)</b>	<b>78.01</b>	<b>(488.77)</b>
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	104.25	105.78
Cash and Cash Equivalents (Opening)	226.57	120.79
Cash and Cash Equivalents (Closing)	330.82	226.57
<b>Summary of Significant Accounting Policies</b>	2	

## For and on Behalf of the Board

Anil Moolchandani  
Chairman - cum - Managing Director

Dilip Seth  
Director (Finance) and CFO

Vikas Kumar Tak  
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, 2014 and found the same to be drawn in accordance therewith and also with the requirements of Clause 32 of the listing agreement with the Stock Exchanges.

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

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

New Delhi  
16th May, 2014

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

### 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 goods to overseas markets.

### 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 notified accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. 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 VI to the Companies Act, 1956. 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 is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Individual assets costing upto Rs. 5000/- 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

### (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.

### 2.8 Miscellaneous Expenditure

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

### 2.9 Valuation of Inventories

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

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

### 2.10 Branch Accounting

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

### 2.11 Foreign Exchange Transactions

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

### 2.12 Employees Benefits

#### Short-term Employee Benefits

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

#### Post-employment Benefit Plans

- i) Leave encashment 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

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 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>3. SHARE CAPITAL</b>		
Authorised (No. in Lacs)		
750 (31 March 2013, 750) Equity shares of ₹ 2/- each	1500.00	1500.00
<b>Issued, Subscribed and Paid-Up</b>		
337.80 (31 March 2013, 337.80) Equity shares of ₹ 2/- each fully paid up	675.60	675.60
<b>Forfeited shares</b>	0.02	0.02
	675.62	675.62

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

		31 MARCH 2014		31 MARCH 2013	
S.No.	Shareholder's Name	No. of Equity Shares Held	% of Holding	No. of Equity Shares Held	% of Holding
a)	Anil Moolchandani	67.94	20.11	67.94	20.11
b)	Jagdish Moolchandani	42.53	12.59	42.53	12.59
c)	Pushpa Moolchandani	29.64	8.78	29.64	8.78
d)	Varun Moolchandani	20.31	6.01	20.31	6.01
e)	Karan Moolchandani	18.52	5.48	18.52	5.48
f)	Raghav Moolchandani	18.08	5.35	18.08	5.35

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>4. RESERVES AND SURPLUS</b>		
a) <b>Capital Reserve</b>		
Forfeiture of Share Warrants	159.50	159.50
Closing Balance	159.50	159.50
b) <b>Securities Premium Account</b>		
Opening Balance	737.95	737.95
Closing Balance	737.95	737.95
c) <b>General Reserve</b>		
Opening Balance	5760.52	5610.52
Add: Transferred from Surplus in Statement of Profit and Loss	150.00	150.00
Closing Balance	5910.52	5760.52
d) <b>Surplus in Statement of Profit and Loss</b>		
Opening Balance	3737.37	3354.78
Add/(Less) : Previous Years' Tax Adjustments	(16.86)	(10.08)
Add : Profit for the year	524.24	700.75
	4244.75	4045.45
Less : Appropriations		
Transfer to General Reserve	150.00	150.00
Proposed Dividend ₹ 0.40 (31 March 2013, ₹ 0.40) each Equity Share	135.12	135.12
Tax on Dividend	22.96	22.96
Closing Balance	3936.67	3737.37
<b>Total (a) + (b) + (c) + (d)</b>	<b>10744.64</b>	<b>10395.34</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

			31 MARCH 2014	31 MARCH 2013
5.	<b>LONG - TERM BORROWINGS</b>			
	<b>Secured Loans</b>			
a)	Term Loans - Others	i and iii	0.00	8.20
b)	Vehicle Loans	ii and iii		
	- Banks		27.84	41.96
	- Others		0.00	0.70
			27.84	50.86
i.	Secured by exclusive charge on the specific asset by way of hypothecation.			
ii.	Against hypothecation of Vehicle.			
iii.	The loan is repayable in Equated Installments from the date of loan.			
iv.	The charges stated above are also applicable for securing the current portion of Long Term Liabilities as per Note no. 11			
6.	<b>DEFERRED TAX LIABILITIES (NET)</b>			
	<b>Deferred Tax Liabilities</b>			
	Related to Tangible Fixed Assets	a)	805.69	744.51
	<b>Deferred Tax Assets</b>			
	Employee Benefits		48.25	26.23
	Provision for Doubtful Advances		7.65	7.64
		b)	55.90	33.87
		(a-b)	749.79	710.64
	<b>Deferred Tax Charged to Statement of Profit and Loss</b>		23.15	(0.26)
7.	<b>OTHER LONG-TERM LIABILITIES</b>			
	Security Deposit (Received from Franchisee, Agents & Distributors)		645.38	622.53
			645.38	622.53
8.	<b>LONG - TERM PROVISIONS</b>			
	Provision for Employee Benefits (Refer Note 35)			
	Provision for Leave Encashment		60.50	59.21
			60.50	59.21
9.	<b>SHORT - TERM BORROWINGS</b>			
	Loans repayable on demand (Secured)			
	WCDL, Cash Credit, Buyer’s Credit, Packing Credit from Banks	i and ii	788.39	352.39
			788.39	352.39
i.	Pari passu first charge in favour of ICICI bank Ltd., Citibank N.A. and Indusind Bank Ltd. by way of hypothecation of Stocks, Book Debts and Movable Fixed Assets, both present and future, except assets specifically hypothecated.			
ii	Pari passu first charge in favour of ICICI Bank Ltd., Citibank N.A. and Indusind Bank Ltd. on the immovable property situated at Plot No. 260, Sector 6, IMT Manesar, Gurgaon, Haryana.			
iii.	Personal Guarantee of Mr. Anil Moolchandani, CMD and Mr. Jagdish Moolchandani COO			

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>10. TRADE PAYABLES</b>		
Trade payables	<b>481.82</b>	584.17
	<b>481.82</b>	584.17
<b>11. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Borrowings	<b>52.43</b>	91.99
Advance from customers	<b>30.00</b>	33.09
Interest Accrued But Not Due	<b>2.76</b>	4.10
Statutory Liabilities	<b>140.52</b>	127.61
Accrued Salary & Other Benefits	<b>256.41</b>	257.18
Expenses Payable	<b>207.94</b>	117.36
Unclaimed Dividend	<b>6.02</b>	5.62
Other Payable for Expenses	<b>456.84</b>	495.36
	<b>1152.92</b>	1132.31
<b>12. SHORT-TERM PROVISIONS</b>		
Provision For Employee Benefits (Refer Note 35)		
Leave Encashment	<b>18.32</b>	18.08
Gratuity	<b>10.58</b>	42.24
Provision for Income Tax	<b>0.00</b>	10.04
Proposed Dividend	<b>135.12</b>	135.12
Provision for Dividend Tax	<b>22.96</b>	22.96
	<b>186.98</b>	228.44

**13. TANGIBLE FIXED ASSETS**

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01 APRIL 2013	ADDITIONS	DISPOSALS / ADJUSTMENTS	AS AT 31 MARCH 2014	AS AT 01 APRIL 2013	FOR THE YEAR	DISPOSALS/ ADJUSTMENTS	AS AT 31 MARCH 2014	AS AT 31 MARCH 2014	AS AT 31 MARCH 2013
LAND	536.34	318.70	0.00	<b>855.04</b>	0.00	0.00	0.00	<b>0.00</b>	<b>855.04</b>	536.34
FACTORY BUILDINGS	1958.57	3.23	0.00	<b>1961.80</b>	254.66	65.47	0.00	<b>320.13</b>	<b>1641.67</b>	1703.91
BUILDING (OTHER THAN FACTORY)	329.08	477.95	0.00	<b>807.03</b>	6.68	11.81	0.00	<b>18.49</b>	<b>788.54</b>	322.40
PLANT & MACHINERY	1705.18	96.90	57.19	<b>1744.89</b>	994.15	84.04	52.11	<b>1026.08</b>	<b>718.81</b>	711.03
FURNITURE & FITTINGS	3468.83	387.93	195.69	<b>3661.07</b>	1101.50	228.16	57.12	<b>1272.54</b>	<b>2388.53</b>	2367.33
OFFICE EQUIPMENT	562.15	37.20	9.09	<b>590.26</b>	151.01	28.08	2.62	<b>176.47</b>	<b>413.79</b>	411.14
COMPUTERS	610.05	38.46	9.41	<b>639.10</b>	417.37	64.05	8.74	<b>472.68</b>	<b>166.42</b>	192.68
VEHICLES	303.44	47.23	41.78	<b>308.89</b>	83.54	28.41	20.22	<b>91.73</b>	<b>217.16</b>	219.90
POLLUTION CONTROL EQUIPMENT	9.06	0.00	0.00	<b>9.06</b>	4.96	0.43	0.00	<b>5.39</b>	<b>3.67</b>	4.10
<b>TOTAL</b>	<b>9482.70</b>	<b>1407.60</b>	<b>313.16</b>	<b>10577.14</b>	<b>3013.87</b>	<b>510.45</b>	<b>140.81</b>	<b>3383.51</b>	<b>7193.63</b>	<b>6468.83</b>
CAPITAL WORK IN PROGRESS									<b>30.35</b>	116.44
<b>GRAND TOTAL</b>	<b>9482.70</b>	<b>1407.60</b>	<b>313.16</b>	<b>10577.14</b>	<b>3013.87</b>	<b>510.45</b>	<b>140.81</b>	<b>3383.51</b>	<b>7223.98</b>	<b>6585.27</b>
31 March 2013	9197.51	531.50	246.31	<b>9482.70</b>	2629.50	487.49	103.12	<b>3013.87</b>	<b>6585.27</b>	

Furniture and fittings include fitments in shops and offices.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>14. LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Advances to Suppliers	23.57	23.57
Less : Provision for Doubtful Advances	23.57	23.57
	0.00	0.00
Capital Advance	1.25	79.35
Security Deposits	1256.16	1244.08
Prepaid Expenses	2.59	1.09
Advance Tax (Net)	8.91	0.00
Advance to Staff	2.97	2.13
Others	9.37	19.34
	1281.25	1345.99
<b>15. INVENTORIES</b>		
(Refer note 2.9)		
Raw Materials (Refer Note 21)	322.08	282.05
Work in Progress (Refer Note 23)	112.77	59.11
Manufactured Goods (Refer Note 23)	765.53	795.14
Traded Goods (Refer Note 23)	2776.98	3267.07
Other Misc. Inventories	8.67	8.78
	3986.03	4412.15
<b>16. TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for a period exceeding six months from the date they are due for payment	132.59	111.38
Other debts	1979.51	1745.08
	2112.10	1856.46
<b>17. CASH AND BANK BALANCES</b>		
(a) <b>Cash and Cash Equivalents</b>		
<b>Balances with Banks</b>		
In Current Accounts	278.68	90.08
In Deposit Account with original maturity of less than 3 months (i)	0.00	73.00
Interest Accrued on Bank Deposits	0.00	0.02
<b>Cash Balance on Hand</b>	52.14	63.47
	330.82	226.57
(b) <b>Other Bank Balances</b>		
Deposits with banks with maturity more than 3 months but less than 12 Months (i)	17.78	39.08
Interest Accrued on Bank Deposits	0.37	2.02
Deposits with banks with maturity more than 12 months (i)	10.52	28.91
Interest Accrued on Bank Deposits	2.54	4.06
	31.21	74.07
	362.03	300.64

i) Deposited against Margin Money and Sales Tax Department

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
18. <b>SHORT-TERM LOANS AND ADVANCES</b> (Unsecured and Considered Good)		
Advances to Suppliers	454.20	209.48
Advances to Staff	10.62	8.65
Special Additional Duty Recoverable	6.19	8.22
Security Deposits	24.71	0.00
Prepaid Expenses	22.21	18.56
Others Loan and Advances	30.56	66.09
	<b>548.49</b>	<b>311.00</b>
19. <b>REVENUE FROM OPERATIONS</b>		
<b>Sale of Products (Gross)</b>		
Manufactured Goods	5463.86	6053.33
Traded Goods	14269.28	14152.23
	<b>19733.14</b>	<b>20205.56</b>
Less : Excise Duty (i)	133.27	119.21
<b>Sale of Products (Net) (a)</b>	<b>19599.87</b>	<b>20086.35</b>
<b>Other Operating Revenues</b>		
Scrap Sales	10.85	11.38
Other	20.17	30.01
	<b>(b) 31.02</b>	<b>41.39</b>
Revenue from Operations <b>(a) + (b)</b>	<b>19630.89</b>	<b>20127.74</b>
(i) Excise duty on sales amounting to ₹ 133.27 (31 March 2013, ₹ 119.21) has been reduced from sales in Statement of Profit and Loss and excise duty on increase/decrease in stock amounting to ₹ (4.63) (31 March 2013, ₹ 33.48) has been considered as (income)/expense in note 26 of financial statements.		
<b>Details of Goods Sold - Manufactured Goods</b>		
Greeting Cards	4306.19	4669.29
Stationery Items	1140.12	1358.07
Others	17.55	25.97
	<b>5463.86</b>	<b>6053.33</b>
<b>Details of Goods Sold - Traded Goods</b>		
Greeting Cards	321.29	256.79
Stationery Items	1519.33	1302.91
Gift Items	12343.93	12486.48
Others	84.73	106.05
	<b>14269.28</b>	<b>14152.23</b>
20. <b>OTHER INCOME</b>		
Exchange Difference	48.26	9.91
Rent Received	1.10	0.00
Interest Received (i)	2.45	6.42
Interest Charged (Late Payment)	5.29	5.34
Miscellaneous Income	30.79	2.04
Profit on Sale of Tangible Fixed Assets	3.81	0.22
	<b>91.70</b>	<b>23.93</b>
(i) Tax Deducted at Source ₹ 0.23 (31 March 2013, ₹ 0.65)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>21. COST OF MATERIALS CONSUMED</b>		
Opening Stock	282.05	566.32
Add : Purchases	1703.72	1283.50
	1985.77	1849.82
Less : Closing Stock	322.08	282.05
	1663.69	1567.77
<b>Details of Material Purchased</b>		
Paper & Paper Board	677.39	377.42
Misc. Raw Material	1026.33	906.08
	1703.72	1283.50
<b>Details of Material Consumed</b>		
Paper & Paper Board	657.45	650.12
Misc. Raw Material	1006.24	917.65
	1663.69	1567.77
<b>Details of Inventory</b>		
Paper & Paper Board	233.70	213.76
Misc. Raw Material	88.38	68.29
	322.08	282.05

Value of Imported & Indigenous Raw Material Consumed

Particulars	31 MARCH 2014		31 MARCH 2013	
	%	Value (₹ in Lacs)	%	Value (₹ in Lacs)
Imported	23.76	395.28	23.26	364.68
Indigenous	76.24	1268.41	76.74	1203.09
	100.00	1663.69	100.00	1567.77

<b>22. PURCHASES OF TRADED GOODS</b>		
Traded Goods	5040.94	6087.51
	5040.94	6087.51
<b>Details of Purchases of Traded Goods</b>		
Greeting Cards	93.12	94.83
Stationery Items	398.33	535.17
Gift Items	4538.69	5440.41
Others	10.80	17.10
	5040.94	6087.51

	31 MARCH 2014	31 MARCH 2013
23. <b>CHANGES IN INVENTORIES OF MANUFACTURED GOODS, WORK-IN-PROGRESS AND TRADED GOODS</b>		
<b>Opening Stock</b>		
Manufactured Goods	795.14	919.96
Work-in-Progress	59.11	65.80
Traded Goods	3267.07	2993.17
	<b>4121.32</b>	<b>3978.93</b>
<b>Closing Stock</b>		
Manufactured Goods	765.53	795.14
Work-in-Progress	112.77	59.11
Traded Goods	2776.98	3267.07
	<b>3655.28</b>	<b>4121.32</b>
(Increase)/ Decrease in Stock	<b>466.04</b>	<b>(142.39)</b>
<b>Details of Inventory of Manufactured Goods</b>		
Greeting Cards	543.09	528.03
Stationery Items	222.44	267.11
	<b>765.53</b>	<b>795.14</b>
<b>Details of Inventory of Work-in-Progress</b>		
Greeting Cards	108.25	56.22
Stationery Items	4.52	2.89
	<b>112.77</b>	<b>59.11</b>
<b>Details of Inventory of Traded Goods</b>		
Greeting Cards	52.81	60.26
Stationery Items	282.90	357.67
Gift Items	2430.91	2835.87
Others	10.36	13.27
	<b>2276.98</b>	<b>3267.07</b>
24. <b>EMPLOYEE BENEFITS EXPENSE</b>		
Salary, Wages and Other Benefits	2705.86	2579.54
Contribution to Provident and Other Funds	162.35	193.66
Staff Welfare Expenses	48.57	45.54
	<b>2916.78</b>	<b>2818.74</b>
25. <b>FINANCE COSTS</b>		
Financial Charges	100.48	105.83
Interest	177.29	118.97
	<b>277.77</b>	<b>224.80</b>

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2014

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
<b>26. OTHER EXPENSES</b>		
Advertisement	165.05	346.52
Bad Debts	14.68	1.35
Business Promotion & Development	366.69	324.26
Commission on Sales	1163.50	1250.87
Communication Expenses	90.91	88.64
Computer Expenses	28.33	23.74
Consumables (i)	26.34	32.66
Conveyance	102.02	100.25
Director's Sitting Fees	2.02	1.40
Discount Allowed	135.31	134.09
Electricity & Water Expenses	594.02	558.62
Excise Duty	(4.63)	33.48
Freight & Cartage (Outward)	49.35	55.92
Freight & Cartage Inward	395.38	376.27
General Expenses	30.18	24.15
Charity and Donations (ii)	13.53	21.56
Insurance	30.37	56.61
Jobwork	168.51	146.72
Legal & Professional Charges (iii)	80.60	100.02
Licence Fees	6.53	5.96
Loss in Transit Damages	4.11	11.46
Loss on Sale / Deletion of Tangible Fixed Assets	151.04	116.43
Meeting & Conference Expenses	14.59	10.22
Office Maintenance	74.19	71.13
Postage, Packing & Forwarding	150.08	121.58
Power	67.30	62.08
Printing & Stationery	36.44	33.90
Rates & Taxes	18.38	13.53
Rent (Refer Note 36)	2933.31	2819.35
Repair & Maintenance		
- Machinery	42.20	54.28
- Building	31.45	23.00
- Vehicles	77.97	75.63
- Others	147.49	138.93
Shop Maintenance	722.52	649.97
Travelling Expenses	84.25	92.09
Watch & Ward Expenses	62.90	80.20
	<b>8076.91</b>	<b>8056.87</b>

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

Particulars		31 MARCH 2014		31 MARCH 2013
	%	(₹ in Lacs)	%	(₹ in Lacs)
Indigenous	100	26.34	100	32.66

**ii) Charity and Donations include :**

(₹ in Lacs)

	31 MARCH 2014	31 MARCH 2013
Expenditure towards Corporate Social Responsibility activities	12.65	18.83

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

	31 MARCH 2014	31 MARCH 2013
a) For Statutory and Tax Audit	14.89	14.89
b) Branch Auditors	4.78	4.78
c) For Branch other Matters	0.14	0.07

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014****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 ₹ 53.50 Lacs (31 March 2013 ₹ 33.00 Lacs)

Other Commitment - Estimated amount of contracts remaining to be executed on Other Commitment (net of advances) and not provided for ₹ 548.42 Lacs (31 March 2013 ₹ 71.24 Lacs)

**28. CONTINGENT LIABILITIES :**

	(₹ in Lacs)
	31 MARCH 2014
a) Income Tax Demand (Block Period)	340.27*
b) Dispute of Rent Escalation and CAM Charges	4.21

\*A demand of ₹ 340.27 Lacs was raised against the company in block assessment, the Income Tax Appellate Tribunal (ITAT) party 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.

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

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

**30. EXPENDITURE IN FOREIGN CURRENCY**

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

**31. EARNINGS IN FOREIGN CURRENCY**

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

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

	31 MARCH 2014	31 MARCH 2013
Profit after Tax (₹ in Lacs)	524.24	700.75
Weighted Average		
Number of Equity Shares (No. in Lacs)	337.80	337.80
Nominal value per Equity Share (₹)	2/-	2/-
Basic & Diluted Earning Per Share (₹)	1.55	2.07

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

## 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 2014	31 MARCH 2013
	<b>Segment Revenue</b>		
a	Greeting Cards	<b>4553.80</b>	4854.56
b	Stationery	<b>2599.86</b>	2613.29
c	Gifts	<b>12343.93</b>	12486.48
d	Others	<b>102.28</b>	132.02
	<b>Income From Operations</b>	<b>19599.87</b>	20086.35
	<b>Segment Results</b>		
	<b>Profit before Dep., Interest, Finance Charge &amp; Tax</b>		
a	Greeting Cards	<b>734.30</b>	851.11
b	Stationery	<b>239.82</b>	244.93
c	Gifts	<b>1223.96</b>	1267.20
d	Others	<b>6.96</b>	10.30
	<b>Total</b>	<b>2205.04</b>	2373.54
	Less: Depreciation	<b>510.45</b>	487.49
	Less: Interest and Finance Charges	<b>277.77</b>	224.80
	Less: Other unallocable exp. net of unallocable Income	<b>646.81</b>	610.37
	<b>Profit before Tax</b>	<b>770.01</b>	1050.88
	<b>Capital Employed</b>		
	(Segment Assets-Segment Liabilities)	<b>11420.26</b>	11070.96
	<b>Total</b>	<b>11420.26</b>	11070.96

### (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 2014	31 MARCH 2013	31 MARCH 2014	31 MARCH 2013	31 MARCH 2014	31 MARCH 2013
East	<b>1466.24</b>	1600.72	<b>412.96</b>	391.01	<b>0.27</b>	1.11
West	<b>4642.88</b>	4967.86	<b>2446.15</b>	2324.71	<b>140.17</b>	64.59
North	<b>8910.03</b>	8959.19	<b>10562.03</b>	10058.09	<b>1170.19</b>	341.62
South	<b>3611.76</b>	3606.45	<b>1790.74</b>	1770.46	<b>78.40</b>	106.09
Central	<b>628.67</b>	574.60	<b>302.00</b>	267.24	<b>18.57</b>	18.09
Export	<b>340.29</b>	377.53	<b>NIL*</b>	NIL*	<b>NIL*</b>	NIL*
Total	<b>19599.87</b>	20086.35	<b>15513.88</b>	14811.51	<b>1407.60</b>	531.50

\* No specific assets are held for export.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014

(iii) Notes to Segment information

**Segment Revenue and Expense**

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

**Segment Assets and Liabilities**

- Segment Assets include all Operating Assets used by Segment comprising Non-Current Assets and Current Assets. Segment Liabilities include all Operating Liabilities comprising Non-Current Liabilities and Current Liabilities.

**Capital Employed**

- Due to the nature of business and common manufacturing facilities for various Segments, a reasonable allocation of Capital Employed to various Segments is currently not practicable.

34. RELATED PARTY DISCLOSURES (AS-18)

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014**

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

(₹ in Lacs)

S. NO.	NATURE OF TRANSACTION	KEY MANAGEMENT PERSONNEL		RELATIVES OF KEY MANAGEMENT PERSONNEL		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL OR THEIR RELATIVES EXERCISE SIGNIFICANT INFLUENCE		TOTAL	
		31 MARCH 2014	31 MARCH 2013	31 MARCH 2014	31 MARCH 2013	31 MARCH 2014	31 MARCH 2013	31 MARCH 2014	31 MARCH 2013
1	Purchase of Goods	-	-	-	-	437.44	396.73	437.44	396.73
2	Sale of Goods	-	-	-	-	1.49	2.12	1.49	2.12
3	Commission on Sales	-	-	4.03	4.46	18.88	19.14	22.91	23.60
4	Reimbursement of Expenses	-	-	-	-	4.88	5.17	4.88	5.17
5	Rent Paid	91.60	102.24	75.35	75.55	94.00	93.88	260.95	271.67
6	Salary	133.75	138.97	16.23	17.39	-	-	149.98	156.36
	Debit Balances Outstanding	-	-	-	-	-	-	-	-
	Outstanding receivables	-	-	-	-	12.60	12.60	12.60	12.60
	Credit Balance Outstanding	-	-	-	-	-	-	-	-
	Outstanding Payable	5.50	6.43	1.71	1.94	4.19	2.20	11.39	10.57

\* Mr. Jagdish Moolchandani did not offer himself for re-appointment as Director in last AGM held on dt. 16 July 2013 and ceases to be Director w.e.f 16 July 2013. Mr. Jagdish Moolchandani was appointed as Chief Operating Officer of the Company w.e.f 17 July 2013.

**35. EMPLOYEE BENEFITS**

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

	31 MARCH 2014	31 MARCH 2013
Discount Rate	9.10%	8.00%
Expected Rate of return on Plan Assets	8.75%	9.25%
Expected Rate of increase in compensation Level	6.00%	6.00%

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

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Present Value of obligations	77.29	319.11	61.36	272.84
Interest Cost	6.19	25.53	5.28	23.46
Current Service Cost	12.10	32.08	15.03	31.56
Benefits Paid	(11.40)	(27.61)	(10.38)	(20.05)
Actuarial Loss/(gain) on obligations	(5.36)	(14.43)	6.00	11.29
Closing Present Value of Obligations	78.82	334.68	77.29	319.11

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014**

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

(₹ in Lacs)

	31 MARCH 2014		31 MARCH 2013	
Particulars	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Fair Value of Plan Assets	-	276.87	-	171.16
Expected return on Plan Assets	-	25.61	-	20.23
Employer contribution	-	49.20	-	105.53
Benefits Paid	-	(27.61)	-	(20.05)
Actuarial gain/(loss) on Plan Assets	-	0.03	-	-
Closing Fair Value of Plan Assets	-	324.10	-	276.87

**d) Fair Value Of Plan Assets**

(₹ in Lacs)

	31 MARCH 2014		31 MARCH 2013	
Particulars	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Fair Value of Plan Assets	-	276.87	-	171.16
Actual return on Plan Assets	-	25.64	-	20.23
Employer contribution	-	49.20	-	105.53
Benefits Paid	-	(27.61)	-	(20.05)
Fair Value of Plan Assets at the end of period	-	324.10	-	276.87
Funded Status	(78.82)	(10.58)	(77.29)	(42.24)
Excess of Actual over Expected Return on Plan Assets	-	0.03	-	-

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

(₹ in Lacs)

	31 MARCH 2014		31 MARCH 2013	
Particulars	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Actuarial gain/(loss)-Obligations	5.36	14.43	(6.00)	(11.29)
Actuarial gain/(loss)-Plan Assets	-	(0.03)	-	-

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

(₹ in Lacs)

	31 MARCH 2014		31 MARCH 2013	
Particulars	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Closing Present Value of obligations	78.82	334.68	77.29	319.11
Fair value of Plan Assets as at the end of the year	-	324.10	-	276.87
Funded Status	(78.82)	(10.58)	(77.29)	(42.24)
Net Liability Recognized in Balance Sheet	78.82	10.58	77.29	42.24

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014**

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

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Current Service Cost	12.10	32.08	15.03	31.56
Interest Cost	6.19	25.53	5.28	23.46
Expected return on Plan Assets	-	(25.61)	-	(20.23)
Net Actuarial (Gain)/Loss Recognised during the year	(5.36)	(14.46)	6.00	11.29
Total Expense recognised in Statement of Profit and Loss	12.93	17.54	26.31	46.08

**h) Amount for the Current Period**

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Present Value of Obligation	78.82	334.68	77.29	319.11
Plan Assets	-	324.10	-	276.87
Surplus (Deficit)	(78.82)	(10.58)	(77.29)	(42.24)
Experience adjustments on plan liabilities- (Loss)/Gain	1.43	(6.07)	(4.01)	(1.39)
Experience adjustments on plan assets- (Loss)/Gain	-	0.03	-	-

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

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Present Value of obligation as at the end of period	78.82	334.68	77.29	319.11
Present Value of obligation as at the beginning of period	(77.29)	(319.11)	(61.36)	(272.84)
Benefits paid :				
(i) Directly paid by the enterprise	11.40	-	10.38	-
(ii) Payment made out of the fund	-	27.61	-	20.05
Actual return on plan assets	-	(25.64)	-	(20.23)
Expense recognised in the Statement of Profit & Loss	12.93	17.54	26.31	46.09

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31 MARCH 2014**

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

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Opening Net Liability	77.29	42.24	61.36	101.68
Expenses as above	12.93	17.54	26.31	46.09
Benefits paid directly by the enterprise	(11.40)	-	(10.38)	-
Contributions paid into the fund	-	(49.20)	-	(105.53)
Closing Net liability	78.82	10.58	77.29	42.24

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

(₹ in Lacs)

Particulars	31 MARCH 2014		31 MARCH 2013	
	Leave Encashment Unfunded	Gratuity Funded	Leave Encashment Unfunded	Gratuity Funded
Current Liability	18.32	10.58	18.08	42.24
Non-Current Liability	60.50	0.00	59.21	0.00
Closing Net Liability	78.82	10.58	77.29	42.24

**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 ₹ 2933.31 Lacs (31 March 2013, ₹ 2819.35 Lacs), which includes contingent rents of ₹ 51.89 Lacs (31 March 2013, ₹ 54.89 Lacs). The Lease Agreements are further renewable after its expiry of initial term with a mutual consent, subject to revision in Lease rentals.

(₹ in Lacs)

	31 MARCH 2014 Amount	31 MARCH 2013 Amount
Lease Rent Payable not later than one year	2709.82	2577.37
Lease Rent Payable later than one year but not later than five years	6805.51	7828.01
Lease Rent Payable later than five years	2458.04	3037.74
Lease payments received (or receivable) recognised in the statement of profit and loss	1.10	Nil

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  
16th May, 2014

**For and on behalf of the Board**

Anil Moolchandani  
Chairman - cum - Managing Director

Vikas Kumar Tak  
Company Secretary

Dilip Seth  
Director (Finance) and CFO

# 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 : vikas.tak@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 FORTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 23rd day of September, 2014 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, 2014.			
2.	Approval of dividend on equity shares.			
3.	Retirement of Mr. Pramod Arora, who retires by rotation and express his desire not to offer himself for re-appointment.			
4.	Appointment of Director in place of Mr. Anil Moolchandani who retires by rotation and being eligible offers himself for reappointment.			
5.	Appointment of M/s. Uberoi Sood & Kapoor, Chartered Accountants as Statutory Auditors of the Company.			
6.	Appointment of M/s. V D Rupani & Co, Chartered Accountants as Branch Auditor of the Mumbai, Pune & Goa Branches of the Company.			
7.	Appointment of M/s. Sanjiv Shah & Associates, Chartered Accountants as Branch Auditor of the Chennai Branch of the Company.			
8.	Appointment of M/s. Mehul V Chalishajar & Co, Chartered Accountants as Branch Auditor of the Ahmedabad Branch of the Company.			
9.	Appointment of M/s. Rajesh Chowdhury & Associates, Chartered Accountants as Branch Auditor of the Kolkatta & Bhubneshwar Branches of the Company.			
10.	Appointment of M/s. Rajesh Adityaraj & Co, Chartered Accountants as Branch Auditor of the Indore Branch of the Company.			
11.	Appointment of M/s. S Vijaykumar Chartered Accountants as Branch Auditor of the Bangalore Branch of the Company.			
12.	Appointment of M/s. Ashok Shashi & Co, Chartered Accountants as Branch Auditor of the Ludhiana Branch of the Company.			

		Vote (Optional, see Note 2)		
Sl. No.	Resolution	For	Against	Abstain
13.	Appointment of M/s. Pramod G Gupta & Associates, Chartered Accountants as Branch Auditor of the Chandigarh Branch of the Company.			
14.	Appointment of M/s. Suryanarayana & Suresh, Chartered Accountants as Branch Auditor of the Hyderabad Branch of the Company.			
15.	Appointment of M/s. Shetty & Thomas, Chartered Accountants as Branch Auditor of the Kochi Branch of the Company.			
16.	Appointment of Mr. Dilip Seth as Executive Director of the Company for 3 years.			
17.	Appointment of Mr. Sunil Behl as an Independent Director for 5 years.			
18.	Appointment of Mr. Arun Singhal as an Independent Director for 5 years.			
19.	Appointment of Mr. Prem Kumar Chadha as an Independent Director for 5 years.			
20.	Appointment of Dr. Bhavna Chadha as an Independent Director for 2 years.			
21.	Appointment of Mr. Deepak Thakur as Non-Executive Director for 2 years.			
22.	Approval of Resolution under Section 180 (1) (c) of the Companies Act, 2013 for authorising board of directors to borrow money upto 100 Crores.			

Signed this ..... day of ..... 2014.

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' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. A proxy need not be a member of Company

# 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 : vikas.tak@archiesonline.com

## ATTENDANCE SLIP

Twenty Fourth Annual General Meeting - September 23, 2014

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 FOURTH 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 Tuesday, September 23, 2014.

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

Signature of Member / Proxy .....

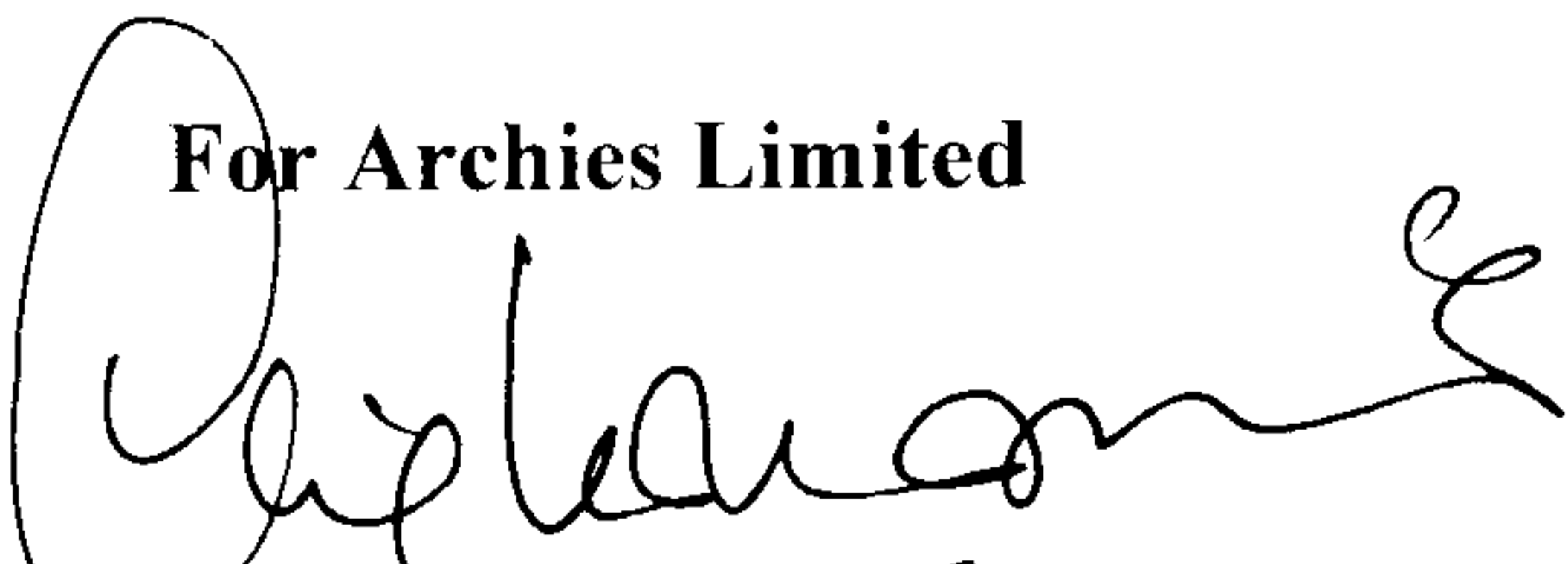
- Notes :
1. Please fill up this Attendance Slip and hand it over at the entrance of the meeting hall.
  2. Members are requested to bring their copies of the Annual Report at the meeting.
  3. **Please note that no gifts/company products will be distributed at the meeting.**

## FORM A


(Pursuant to Clause 31(a) of the Listing Agreement)

1.	Name of the Company	Archies Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit observation	Un-qualified Audit Report
4.	Frequency of observation	Not Applicable


For Archies Limited

  
 (Anil Moolehandani)  
 Chairman & Managing Director


For Archies Limited

  
 (Dilip Seth)  
 Director (Finance) & CFO

For Archies Limited

  
 (Sunil Behl)  
 Chairman -Audit Committee

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

  
 S.D. Sharma  
 Partner  
 Membership No. 80399

Place : New Delhi  
 Date: 07/08/2014

**ARCHIES LIMITED**

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