

Keep Smiling

Annual Report (2008-09)



ARETIPS*

The most special way to say you care

Board of Directors

Anil Moolchandani

Chairman and Managing Director

Pramod Arora

Joint Managing Director

Jagdish Moolchandani

Executive Director

Vijayant Chhabra

Executive Director

Rohinton H. Kanga

Director

Sunil Behl

Director

Arun Singhal

Director

Ajit Ganpatlal Shah

Director

Company Secretary

Vikas Kumar Tak

Auditors

M/s Uberoi Sood & Kapoor

Bankers

Citibank N.A.

ICICI Bank Ltd.

IndusInd Bank

Registered Office

A-17, Naraina Industrial Area,

Phase II, New Delhi- 110028

Corporate Office

G-313, Naraina Industrial Area,

Phase I, New Delhi- 110028

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ARCHIES LIMITED

Regd. Office : A-17, Naraina Industrial Area, Phase-II, New Delhi-110 028

PROXY FORM

Regd. Folio No./DP Client ID.

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I/We of in the district of
 .. being a member / members of the Company hereby appoint of
 in the district of or failing him/her of in the
 district as my/our proxy to vote for me / us on my/our behalf at the NINETEENTH ANNUAL GENERAL
 MEETING of the Company to be held at Shah Auditorium, 2, Raj Niwas Marg, Civil Lines, Delhi-110 054. India, and at any
 adjournment thereof, 10:00 a.m. on Saturday, September 26, 2009.

Signed this day of 2009.

Signature

Affix
1 Rupee
Revenue
Stamp

Note : This form in order to be effective, should be duly stamped, completed and signed and 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, A-40, 2nd Floor, Naraina Industrial Area, Phase-II, Near Batra Banquet Hall,
 New Delhi-110028, not less than 48 hours before the meeting.

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ARCHIES LIMITED

Regd. Office : A-17, Naraina Industrial Area, Phase-II, New Delhi-110 028

ATTENDANCE SLIP

Nineteenth Annual General Meeting - September 26, 2009

Regd. Folio No./DP Client ID.

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No. of Shares held

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

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Shah Auditorium,
 2, Raj Niwas Marg, Civil Lines, Delhi - 110 054, India, at 10:00 a.m. on Saturday, September 26, 2009.

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.

Chairman's Message

Dear Shareholders

Greetings!

Almost everyone, in this fast increasingly inter connecting world was affected by the severity of the current economic situation. So, where do we stand amongst this crumbling economic scenario?

As I retrospect on the year gone by, one particular incident resonates in my mind again and again. As television channels, newspapers and other media splashed scary headlines on this financial turmoil, a spoof from the title of a movie caught my attention. It read "Saare Zameen Par", referring to the fall in stock prices.

Funny it was, but I couldn't help being amazed that despite the crisis, someone still had his/ her sense of humour intact. Moreover, how a little gesture such as this can spread so contagiously and make others smile amidst mayhem.

For 3 decades Archies has successfully spread smiles all around. We believe in the power of relationships and continue to foster our relationships with the same zeal. Over the years, our relationships with our customers and business associates have only grown stronger and healthier, even in face of tough times.

Archies has grown, despite the slowdown all over. Our figures are modest but positive.

Your company has shown 17.65% growth in turnover, we opened 21 new stores, introduced new & innovative cards and gift items. We made international associations and brought in the best soft toys in the world; Me-To-You, Fizzy Moon & Big Foot. We made our bond with the youth even stronger by sponsoring MTV Roadies 6 and MTV Splitsvilla, which are both hugely popular television programmes amongst the young Indians. We moved forward.

Furthermore, we've successfully enhanced the backend of our operations. With thousands of SKUs, vendors, suppliers, and other logistics, Archies has built a robust platform for the better times ahead.

These achievements couldn't have been without the support of our franchisees, our customers and you, who continue to back us with their efforts and good wishes. I thank all of you for your continued support and look ahead for a much rewarding relation in future as well.

Regards



Anil Moolchandani
Chairman & Managing Director

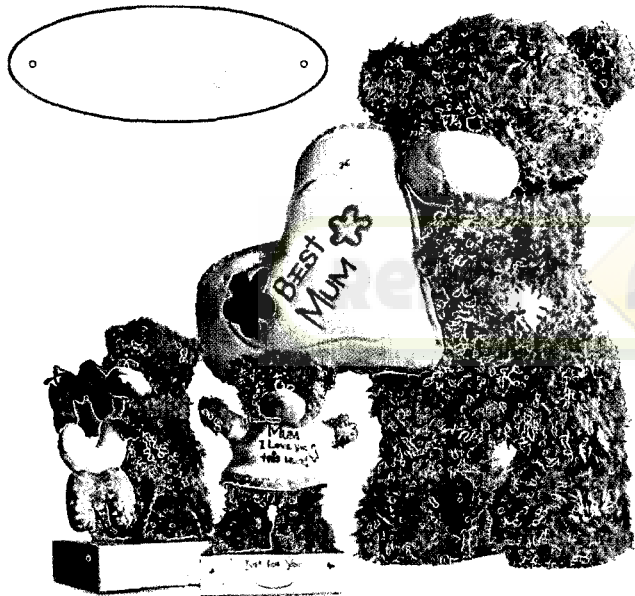
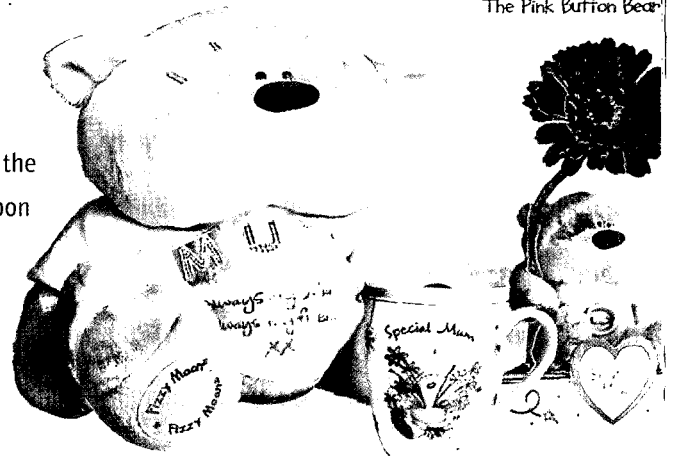
Delivering Promises With Charm

Archies the brand is all about relating to our customers in a manner that creates a mutual feeling of rich emotions.

As a business organization, we explore various touch points that enhance the experience of Archies brand even further. As a brand, Archies delivers upon its promises by consistently keeping the consumer fulfilled through constant improvements in product and service quality.



The Pink Button Bear



We know how the world has now become a global village, how the Indian consumer is aware of global trends and that our customers know of our commitment to give them world class products.

Archies collaborated with Paper Island to bring 'Fizzy Moon' into India. This best selling teddy bear in UK is considered to be the cutest teddy bear in the world. It's USP, a pink button on its belly makes it an adorable and irresistible soft toy.

The most loved teddy bear in the world 'Tatty Teddy', marketed under the brand name of 'Me to You' from Carte Blanche also joined our portfolio of world class products. The grey bear with a blue nose is a unique product with a touching story behind it. Another product from Carte Blanche is 'Big Foot', a cute teddy bear with extraordinary large pair of feet.

Our effort in this direction will continue and we will be bringing in even more exciting products in the coming years.



Dating With Days

Life is a celebration. Emotions can flow anytime.

At Archies, we don't wait for occasions to express our feelings, we create moments of celebration.

Whatever may be the feeling, we have something to convey it.

Be it admiration for a father, or celebrating the tender love of a mother. Be it tongue in cheek remark for a colleague or appreciation for the boss. We have cards and gifts to convey them all. With Archies, every moment becomes special, every feeling gets expressed and every expression becomes memorable.

We have created opportunities to express feelings to our loved and dear ones. With Mother's Day, Father's Day, Boss' Day and more. With Archies, people now share their admiration and joy that comes with each relationship, making the bond even stronger. When words fail to convey the right feelings, people turn to Archies. There is no better way.

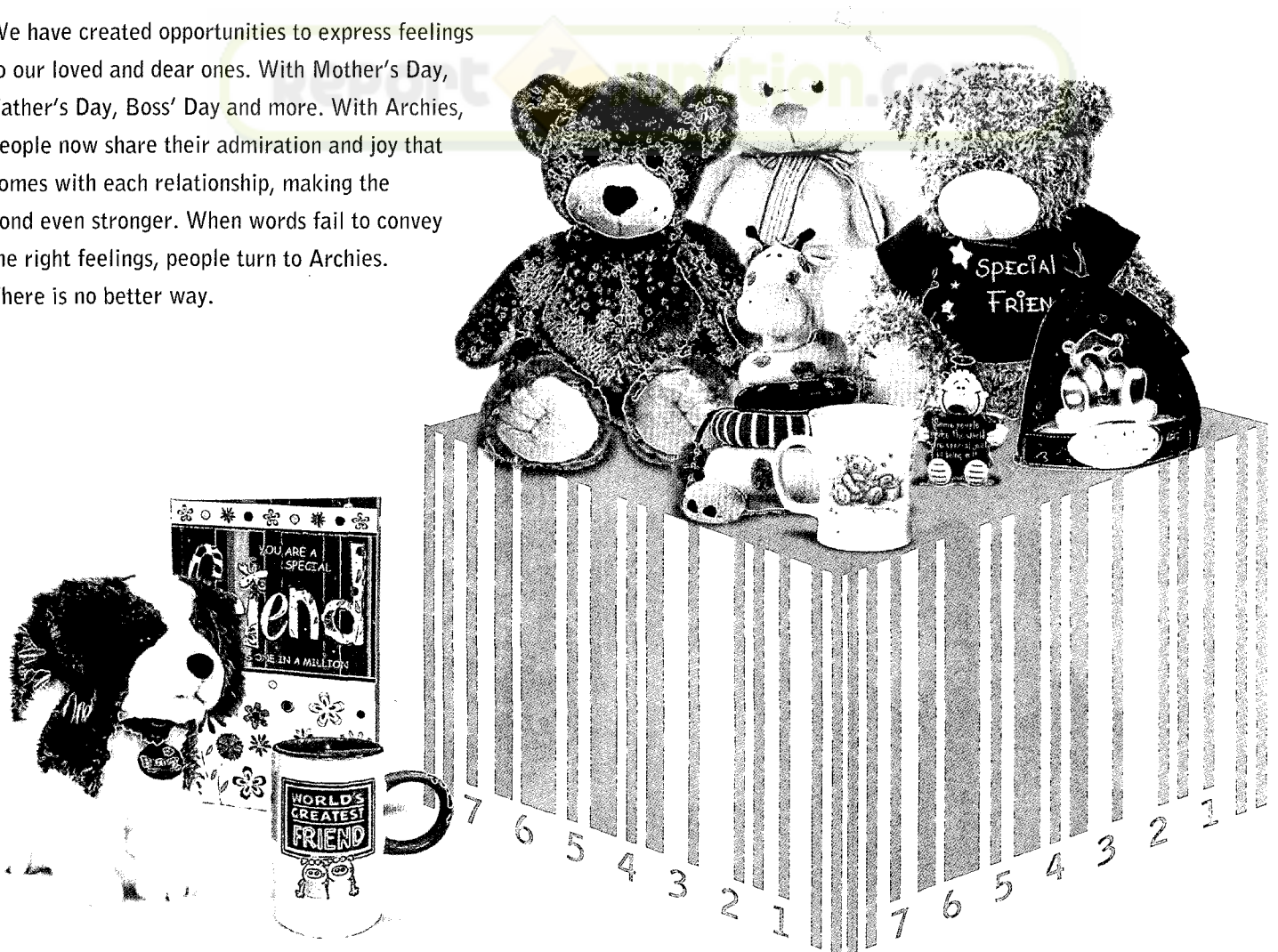
A testimony to the fact, why people turn to Archies, is Daughter's Day.

An Archies creation, Daughter's Day has become an unforgettable occasion for parents to express their joy and pride towards their daughters.

Special gifts in shape of mugs, caps, stationeries, posters etc are created for each of these relationships, making it easier for the people to convey their sentiments. These "days" have helped Archies get closer to it's customer base than ever before and vice-versa.

We've seen a steady increase in participation from people and we understand how much these days have made a difference in their lives to bond their relationships further.

Everyday someone celebrates an expression with Archies. Everyday Archies dates an unforgettable moment.



Young & Eager

We are young with 30 years of experience.

It's an attitude that reflects in our efforts as well.

As most of India is in the same (25-30) age bracket, we see this not as a mere co-incidence, but an opportunity to give expressions to young India.

We have made strategic associations with television channels catering primarily to the youth of this country. We sponsored MTV's iconic Roadies programme, and created special Roadies merchandise, that were sold through Archies outlets. This was yet another relationship with the young consumer who got the opportunity to see the whole gamut of gift ideas available at Archies. The strategy worked in expanding our consumer base and provided a discreet marketing mechanism for other Archies products as well.

A fast becoming popular programme, MTV's Splitsvilla was also tapped to market the Archies brand. Archies sponsored the programme to establish a much deeper connect with the youth. This strategic move enabled us to get closer to our customer base, thus enhancing the brand image of Archies.

With Ginger Lemon Masala Tee's, we created a fashionable way to carry an attitude. These T-shirts with funky graphics, slogans and anecdotes closely reflect the live wire and energetic nature of today's youth.

Archies keeps a vigilant eye on the pulse of the youth brigade. We communicated through numerous other youth oriented television & radio services including ZOOM, Disney, Radio Mirchi, etc. as well. In the last year, Archies has made immense progress in tapping into the young consumer base through these associations. Since these are strategic ventures, we are backing these up with newer products and ideas in the market, thus creating value for the consumer.

In the coming year you'll see more of this strategy being implemented and on a larger, more exciting scale.



Novel Sensations

Archies caters to a very demanding segment of the consumer base. The customers are aware of latest trends and demand the best from us. Addressing this segment is a challenge that Archies has assumed successfully.

A hit innovation from Archies was the launch of 'Cards with Song'. These cards had a small electronic chip having original soundtracks embedded in them and saw great success.

Archies came out with a unique idea of 'Chocolate Cards'. These cards had chocolate shaped hearts in them and became an instant hit during the Valentine's Day celebrations.

We also introduced a novel scheme of 'Gift of the Month'. The gift which was a different one every month, was sold for Rs.99 despite it being of much higher value. The scheme attracted very favourable response from the consumer.

As a prominent brand, Archies realizes its corporate social responsibilities. Our effort to contribute in building a healthier and happy social environment is visible in our association with 'Help Age' and 'CRY'. Archies along with these charitable organizations has helped serve smiles to many under privileged elders and children.

The future too is filled with more such innovative ideas from Archies.



The Pink Button Bear

HelpAge India | Fighting isolation, poverty, neglect

CRY
CHILD RIGHTS AND YOU
www.cry.org

www.reportjunction.com



Re-Defining Seasons Gifting

Last year we turned a new chapter by creating GIFTWORKS, a catalogue & web based gifting option.

The Indian gift industry is not an organised sector. Large corporates, companies and business houses are used to sourcing their gifts from small manufacturers and/or suppliers. They have to be contented with low on quality items, untimely deliveries and mundane gift ideas.

With 'Giftworks', we brought out-of-the-box gift ideas like portable wine cellars, poker sets, designer clock pieces and silver and metal wares. And this has resulted in Giftworks witnessing great success since its launch.

Many businesses now turn towards Archies Giftworks for their gifts. Not only now the corporates have an exciting option, but they realize that their respective brand image is better represented with Giftworks.

Within Giftworks itself we see possibility of immense growth. Also, corporate gifting has now become a culture which demand better gift ideas and Giftworks is seamlessly bridging the gap that existed earlier.



Upping the Ante

Despite the previous year being a tough period, we persisted with our commitments and therefore yielded positive results. We're upbeat for the future as well.

We have so much to look forward to. Be it corporate gifts, or our new youth brand 'Design We'. Our efforts in reaching further into the consumer base and augmenting the Archies brand even more. But most importantly, for the relationships that we have forged.

Archies is a committed business proposition that transcends into the emotional state and marks its presence there in a very unique manner. This very intangible aspect of Archies is probably the most demanding exercise, but it is also the most rewarding experience too.

30 years of growth is because we understand that relationships matter the most, and that relations are the backbone of every successful journey.

The success that we show today is set to become more significant in the future. This is not just our belief, but our promise too.

The future of Archies is a smile that never wanes.

