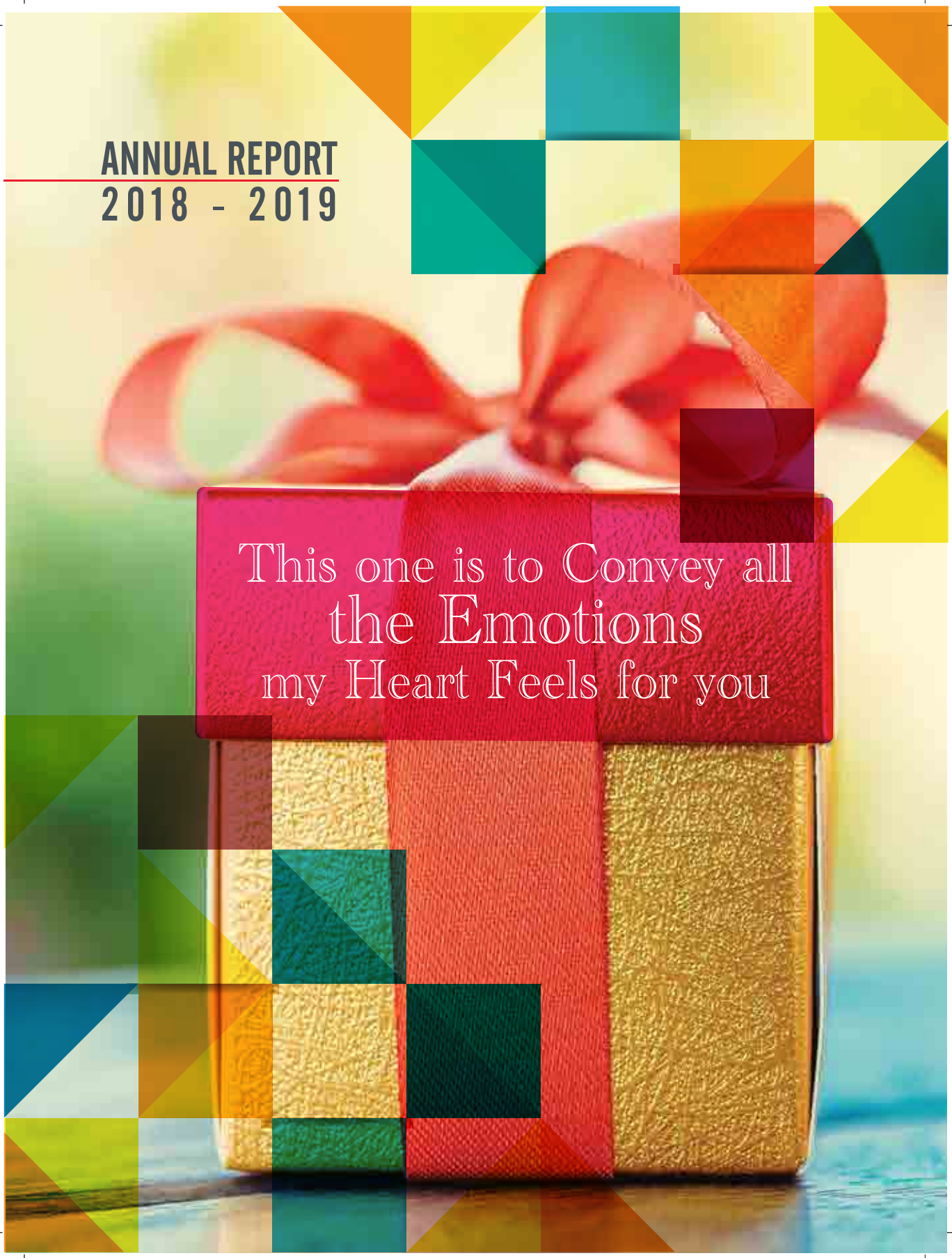
ANNUAL REPORT
2018 - 2019



Board of Director

Mr. Anil Moolchandani
Chairman and Executive Director

Mr. Dilip Seth
Director (Finance) and CFO

Mr. Jagdish Moolchandani
Executive Director

Mr. Varun Moolchandani
Executive Director

Mr. Sunil Behl
Independent Director

Mr. Arun Singhal
Independent Director

Mrs. Payal Jain
Independent Director

Mr. Kanav Dev Sharma
Independent Director

Mr. Hitesh Kumar
Company Secretary & Compliance Officer

Auditors
M/s J.P., Kapur & Uberai
Chartered Accountants
New Delhi

Bankers
Kotak Mahindra Bank Ltd.
HDFC Bank Ltd.

Registered Office
191F, Sector-4, IMT Manesar,
Gurugram-122050

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

CONTENT

Let's fall in Love	Page 3
You make me Smile	Page 4
Do what you Love and Love what you do	Page 5
Start your Morning with a Smile	Page 6
Enjoy Every Moment	Page 7
From the Chairman's Desk	Page 8
Year at a Glance	Page 9
Notice	Page 10-21
Director's Report	Page 22-49
Report on Corporate Governance	Page 50-64
Independent Auditors' Report	Page 65-70
Balance Sheet	Page 71-99
Route Map	Page 100
Proxy Form	Page 101
Attendance Slip	Page 102

LET'S FALL
IN
LOVE

you
MAKE ME
SMILE

DO what you
LOVE
and
Love
WHAT YOU
DO

START
YOUR
morning
with a
SMILE

Enjoy
every
moment

FROM THE CHAIRMAN'S DESK

Dear Friends,

Carrying on from where we left off last year, the year that went by seemed almost identical to the previous year except that it threw some more challenges.

Though we succeeded in stemming the decline, in terms of gross turnover, the situation remained unchanged.

We continued to shut loss making stores wherever required and while their numbers were made up by way of new openings, all this came at a cost.

Mature stores cost money to close while new ones cost even more to open. And while this is an ongoing struggle in any retail operation, a breakout from the struggle can only be achieved when new store openings outstrip old store closings. However, in these fast changing market dynamics the decision to open new stores entail more risks than ever before.

In the midst of our daily struggles, disaster struck on what is normally the most joyous day of the year for your company, Feb 14th Valentine's Day.

As the day dawned we received information that there was a fire at our Corporate Office. As the minutes of the day progressed, we stood outside in the rain and watched helplessly as the fire brigade fought the battle. The day ended with all floors of our Corporate Office gutted and unusable.

A new immediate problem faced us, of getting the Corporate Office functioning as fast as possible. While, it did take us between 2 to 4 weeks, to get all functions up and running, work never stopped.

The domino effect of the global economy slowing down is hitting the Indian economy as well, with slowdowns being seen across sectors. Falling as we do, into the category of discretionary spending, we cannot remain immune from the same. In the first quarter of 2019-20 gone by, we have felt the heat from the slowdown and will need to remain alert so as not to get too badly affected.

Our mantra for the current year, remains consolidation of operations, closing any fringe stores that are not performing, while continuing to look for fresh areas of potential to open new stores, but very selectively.

Our endeavor to delight our customer with newer and newer offerings continues with a continuous flow covering a wide demographic. The first quarter alone saw the introduction of over a thousand new varieties of gifts and accessories never seen before in our stores. This helps us in better engaging customers and helps us help them express themselves, to their loved ones.

Yours Truly

Anil Moolchandani
Chairman & Executive Director
Archies Limited

Year At A Glance

(₹ in Lakhs)

S. No.	Particulars	2018-2019	2017-2018	2016-2017
1.	Total Turnover	**16136.44**	15782.07	18626.10
2.	Other Income	**183.84**	202.16	212.10
3.	Total Expenditure	**15620.26**	15586.71	18718.01
4.	Profit before Depreciation, Interest and Tax (PBDIT)	**700.02**	397.52	120.19
5.	PBDIT as a % of Total Turnover	**4.34**	2.52	0.65
6.	Finance Costs	**269.79**	282.35	302.22
7.	Depreciation	**357.56**	402.96	380.99
8.	Profit/ (Loss) Before Tax (PBT)	**72.67**	(287.79)	(563.02)
9.	PBT as a % of Total Turnover	**0.45**	(1.82)	(3.02)
10.	Extraordinary Item	**0.00**	0.00	0.00
11.	Profit / (Loss) before tax after extraordinary item	**72.67**	(287.79)	(563.02)
12.	Provision for Taxation	**0.06**	(50.83)	(193.43)
13.	Profit / (Loss) after Tax (PAT)	**72.61**	(236.96)	(369.59)
14.	PAT as a % of Total Turnover	**0.45**	(1.50)	(1.98)
15.	Paid up Equity Share Capital	**675.62**	675.62	675.62
16.	Reserves(excluding revaluation reserves)	**9814.14**	9768.06	9995.15
17.	Net Worth	**10489.76**	10443.68	10670.77
18.	Earning Per Share of Face value ₹ 2 (in ₹)	**0.21**	(0.70)	(1.09)
19.	Book Value Per Share of Face value ₹ 2 (in ₹)	**31.05**	30.92	31.59
20.	Dividend (%)	**NIL**	NIL	NIL
21.	Amount of Dividend	**0.00**	0.00	0.00
22.	Return on Average Net Worth (%)	**0.69**	(2.24)	(3.41)
23.	Return on Average Capital Employed (%)	**2.81**	(0.05)	(2.29)