

ANNUAL REPORT 2000 - 2001



ARCHIES 
ARCHIES GREETINGS & GIFTS LTD.

Board of Directors

Anil Moolchandani

Chairman-cum-Managing Director

Jagdish Moolchandani

Director

Pramod Arora

Director

Vijayant Chhabra

Director

Mahendra Chheda

Director

Company Secretary

Manish Kumar Jain

Auditors

M/s Agarwal Prakash & Co.

Chartered Accountants

Bankers

Oriental Bank of Commerce

American Express Bank Ltd.

HDFC Bank Ltd.

Registered Office

A-17, Naraina Industrial Area

Phase-II, New Delhi-110 028

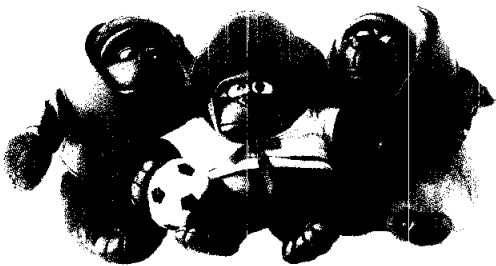
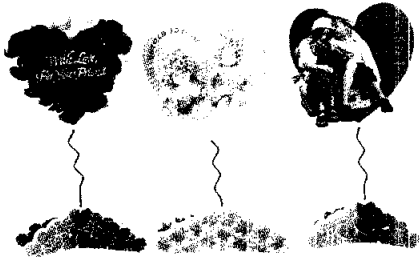
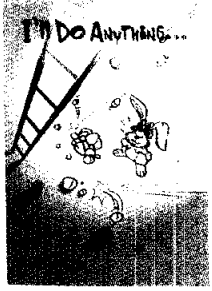
Corporate Office & Share Deptt.

A-37, Naraina Industrial Area

Phase-I, New Delhi-110 028

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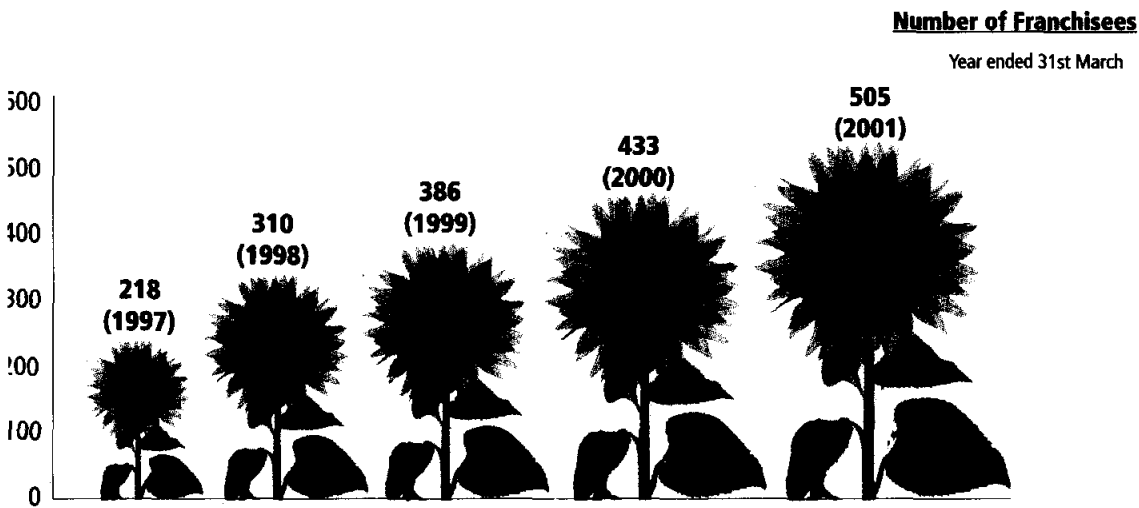
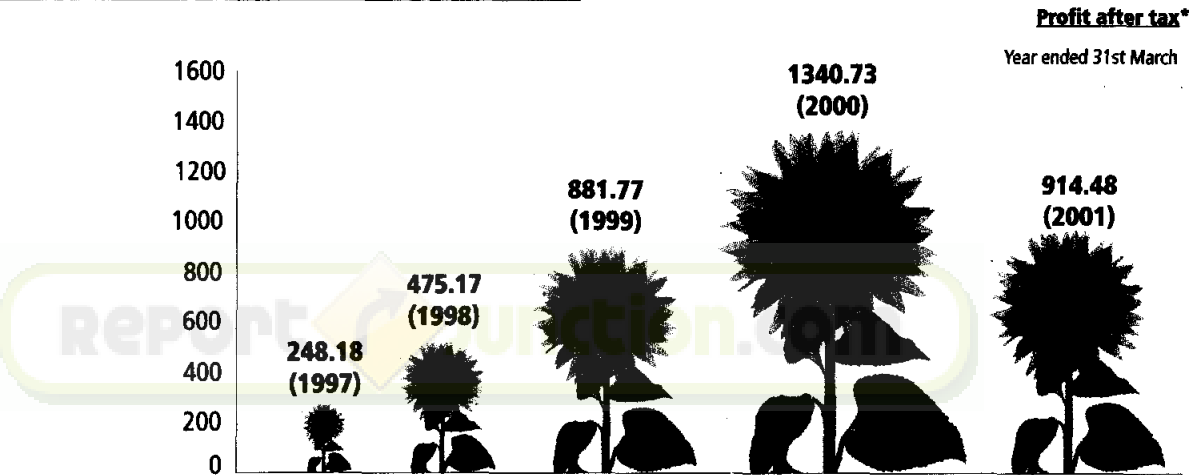
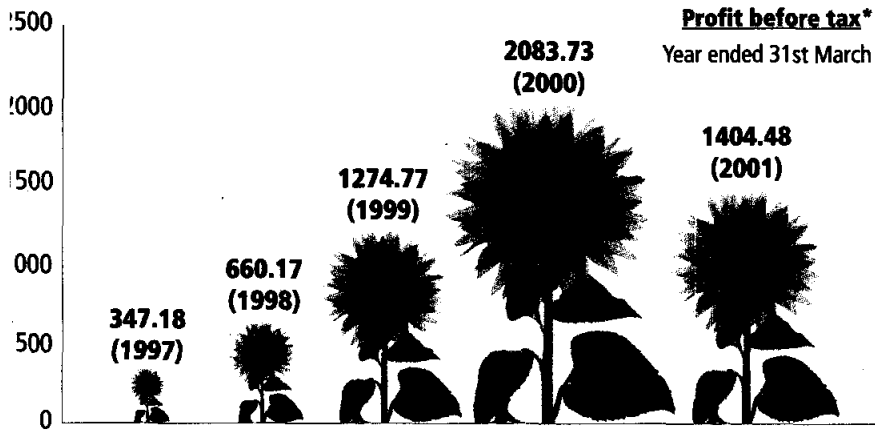
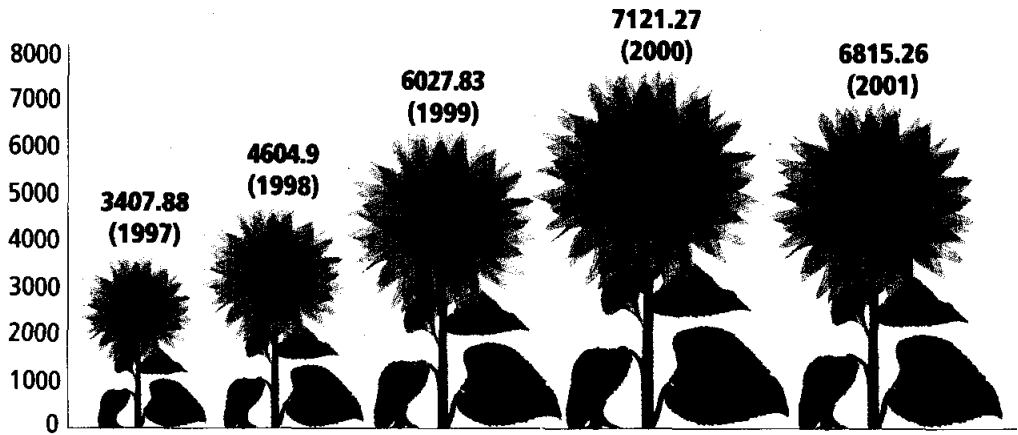
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Year at a glance

Total Turnover	6815.26	7121.27	6027.83
Other Income	64.69	93.76	56.07
Total Expenditure	5275.15	5031.64	4732.60
Profit before Depreciation, Interest and Tax (PBDIT)	1604.80	2183.39	1351.30
PBDIT as a % of Total Turnover	23.55	30.66	22.42
Interest	81.92	3.14	-----
Depreciation	118.40	96.52	76.53
Profit before Tax (PBT)	1404.48	2083.73	1274.77
PBT as a % of Total Turnover	20.61	29.26	21.15
Provision for Taxation	490.00	743.00	393.00
Profit after Tax (PAT)	914.48	1340.73	881.77
PAT as a % of Total Turnover	13.42	18.83	14.63
Paid up Equity Share Capital	650.62	650.62	325.15
Reserves (excluding revaluation reserves)	3557.55	2750.62	2024.43
Net Worth	4189.56	3378.84	2323.39
Earning per share (in Rs.)	14.06	20.61	27.10
Book Value per share (in Rs.)	64.39	51.93	71.41
Dividend	15%	51%	60%
Amount of Dividend	97.59	248.86	195.22
Return on Average Net Worth	24.16%	47.02%	44.50%
Return on Average Capital Employed	37.46%	72.57%	63.29%

Year ended 31st March



*Rs.(in lacs)

Dear Shareholders

Another year is like another chance - a chance to grow, a chance to discover new opportunities and a chance to leap forward. It's a positive energy that helps you begin afresh with new zeal and enthusiasm. It's a brilliant force that propels you to look at things with a new perspective. It's also a time to look back at the year gone by and take stock. Last year was definitely not one of the brightest years that Archies has seen. In fact, it was the first year in the history of the company, when the company recorded a negative growth. It was marked with events that affected the business in more ways than one.

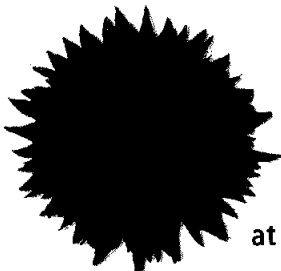
During the last fiscal, we reported a decrease of 4% in sales and 32% in profits.

The year that went by saw overall economic slowdown in the country, across the board. With the invasion of the internet and its easy accessibility, the world has definitely become smaller. The obvious fallout was on the traditional way of sending wishes or expressions.

The greeting card segment did suffer a setback. But the exact impact of e-greeting / internet cannot be quantified. Besides, other factors had their impact too. The postal strike at the crucial time of peak season, the unfortunate Gujarat earthquake were some of them.

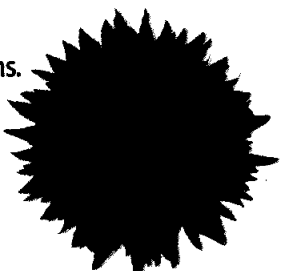
In the aggregate, the results that we had were not up to our standards or yours. As a result, we intend to take steps in this fiscal to ensure that our performance returns to the levels that we expect.

But as a poet once said, if winter comes, can spring be far behind? Looking forward, we see many positive and exciting things. One of them is the complete revamping of the franchise network. We are planning to bring in a whole new exclusivity to the Archies brand. Primarily, what we are aiming to do is have Archies Gallerys that are going to retail only exclusive Archies products, be it gift items or cards. Everything that will be sold in these outlets will be supplied by the company itself and will carry the stamp of Archies. Besides these gallerys, there will be what are called the Archies Paper Rose Shoppes that will sell genuine Archies products as well as products that the franchisees might choose to sell. The Archies showrooms themselves will be undergoing a sea change in their exteriors and interiors.



As you are aware that we implemented changes in our distribution system by appointing C&F agents at key locations. Analyzing the results of this change, we came across some bottlenecks in the system. Henceforth, we propose to appoint area-wise/district-wise distributors under Branches/C&F agents, to help us penetrate deeper into the markets and to have a wider reach.

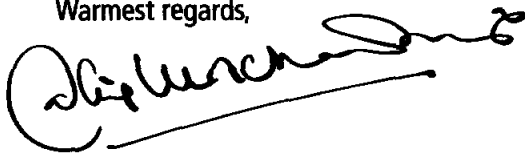
To support our exclusivity campaign, the thrust is on developing and introducing more and more gift items. This will also enable us to make "Archies Gallery" as One Stop Gift Shop where people from all walks of life can come and purchase gifts and greetings for all occasions under one roof. Our aim is to provide the best of gift items to the consumers.



I often used to say, 'Competition is always welcome' because competition, in terms of new players entering the greeting cards and gifts industry, benefits the consumer, the company and the industry. But the sad part is that even the competition was not able to boost the market.

The coming financial year will undoubtedly bring about many obstacles, but with the continued confidence of our business partners, we will aggressively meet those challenges with renewed faith in our company and the future that we all share.

Warmest regards,

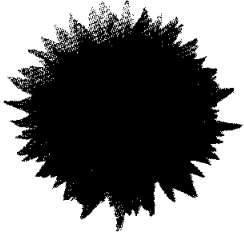


Anil Moolchandani

Chairman - cum - Managing Director



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Flower Power

The seeds were sown over two decades ago in the year 1979 and today these have grown into a big, beautiful plant that is blooming with flowers of various hues and colours. And is standing tall, towering as a market leader.

Truly, only perseverance and sheer hard work has seen the transformation of a small mail order supplier of posters and song books to India's largest manufacturer and retailer of greeting cards, stationery, gifts and various other products today.

With headquarters in New Delhi, the plant today has spread its shade far and wide. The company has licensing arrangements with international giants like American Greetings Corp., USA, Gibson Greetings Inc., USA and Kel Geddes Management, New Zealand. And its brands such as Archies, Paper Rose, Fine Expressions and Paper Magic have become household names.

