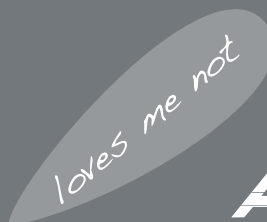




OPENING WINDOWS OF THE HEART OPENING WINDOWS OF THE HEART

ANNUAL REPORT 2009-10



ARCHIES 
The most special way to say you care

Contents

- 2 Chairman's Message
- 3 The Expressive Indian
- 5 Inbox of the heart
- 7 Giving style a new statement
- 9 Passport to the world
- 12 The Next Step

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 Bhel
Director

Arun Singhal
Director

Ajit Ganpatlal Shah
Director

Company Secretary
Vikas Kumar Tak

Auditors
M/s Uberoi Sood & Kapoor

Bankers
Citibank N.A.
IndusInd Bank Ltd.
ICICI Bank Ltd.
Registered Office
191F, Sector-4, IMT Manesar,
Gurgaon, Haryana - 122050
Corporate Office
C-113, Naraina Industrial Area
Phase I, New Delhi- 110028





Chairman's Message

Dear Shareholders

Greetings from Archies!

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 the face of the recently gone by tough times.

I want to share with you, the coming of a new era. The era of the expressive Indian. Our phenomenal development in all areas of life is attracting the world's attention.

Together, we are witnessing the world's growing interest in us and our growing interest to the rest of the world. This has led to the coming of a new age and with it, the new Indian. Indians, who are more expressive with their emotions. We are now living in a time where expressive giving has become a part of our lifestyle.

At Archies, we have foreseen this trend and embraced it. We saw that the changing demographic and psychographic face of our nation offered us great opportunities. That's why we introduced new elements to our brand, stores, and relationships.

We have successfully partnered with some of the world leaders in the category of greeting cards, soft toys and social expression gifts, brought in new products and even new brands under Archies. Our backend operations have also been enhanced.

With thousands of SKUs, vendors, suppliers, and other logistics, we have a robust supply chain platform geared for the future.

By bringing new ideas and products from every corner of the world, we are introducing and becoming a channel for the new expressive India. Not only do we give form to emotions but we have also become the face of this new era.

These achievements wouldn't have been possible without the support of our franchisees, our customers and you, who continue to back our efforts with your good wishes.

I now invite you to share another year of growth and achievement. Let us strengthen the bonds of our relationship. And together, look ahead to a rewarding future with Archies.

Regards



Anil Moolchandani
Chairman & Managing Director

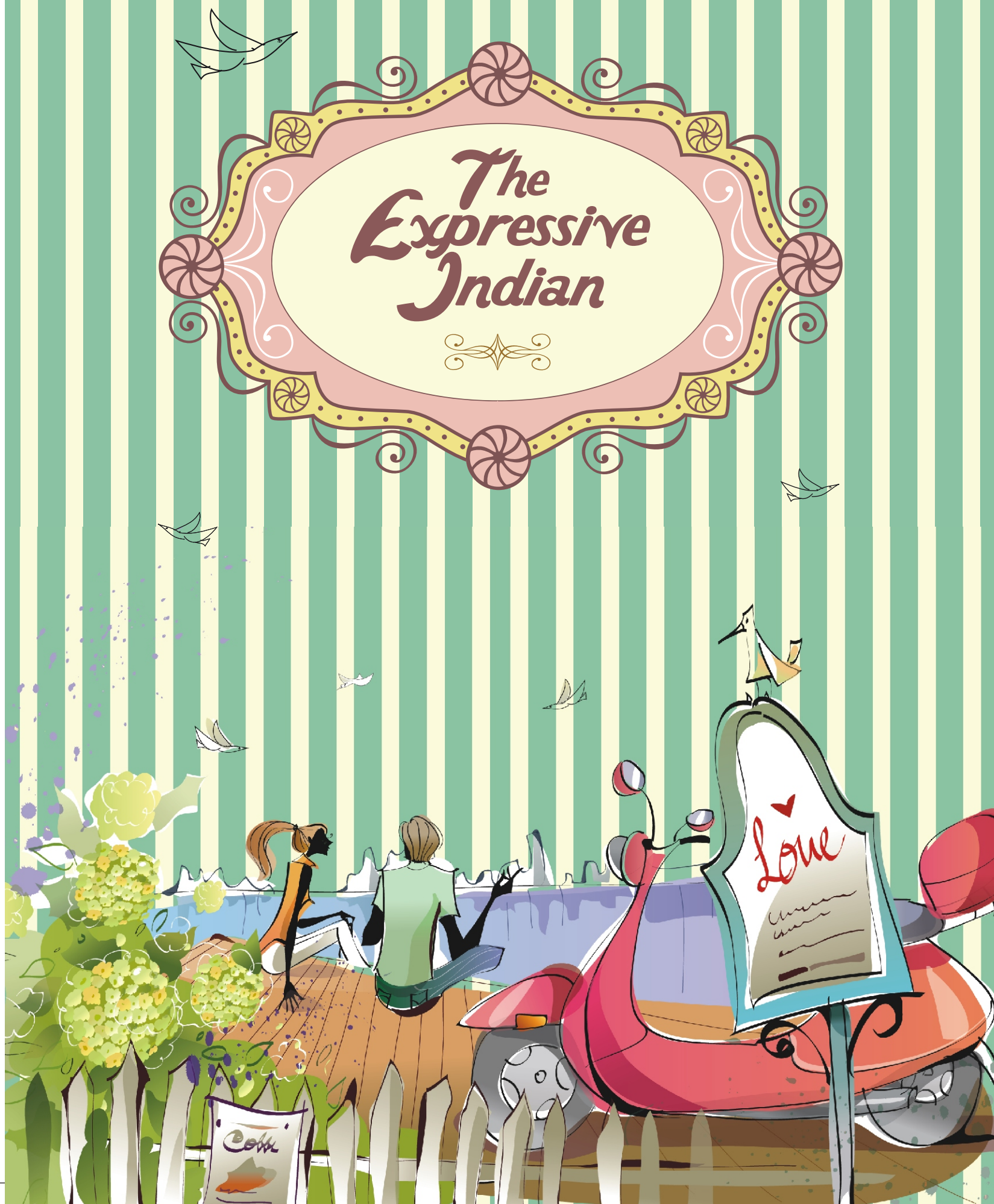





EVOLUTION OF EMOTIONS

We as a 30 year old company have been the time keeper of emotions. We know how feelings are born and how they grow. Feelings remain the same while the different methods of expressions have evolved. We take pride in being that catalyst that pulls people together by helping them put lyrics to the song of their heart.

The Expressive Indian





Either a person has grown up with Archies, or they have grown to love us. The diversity in our gifting solutions is now in proportion to the variety of audiences we serve. This just goes to say we have come a long way from just helping school kids shop for their friends.

Over the past few years there is a huge increase in the number of young upwardly mobile executives who look for our unique out-of-the-box greeting & gifting ideas for their friends and loved ones. This is because as a country we now express more. We have stopped holding back our emotions. As they say “child is the father of man”, we have learnt from our younger generation to show love and not just feel it.

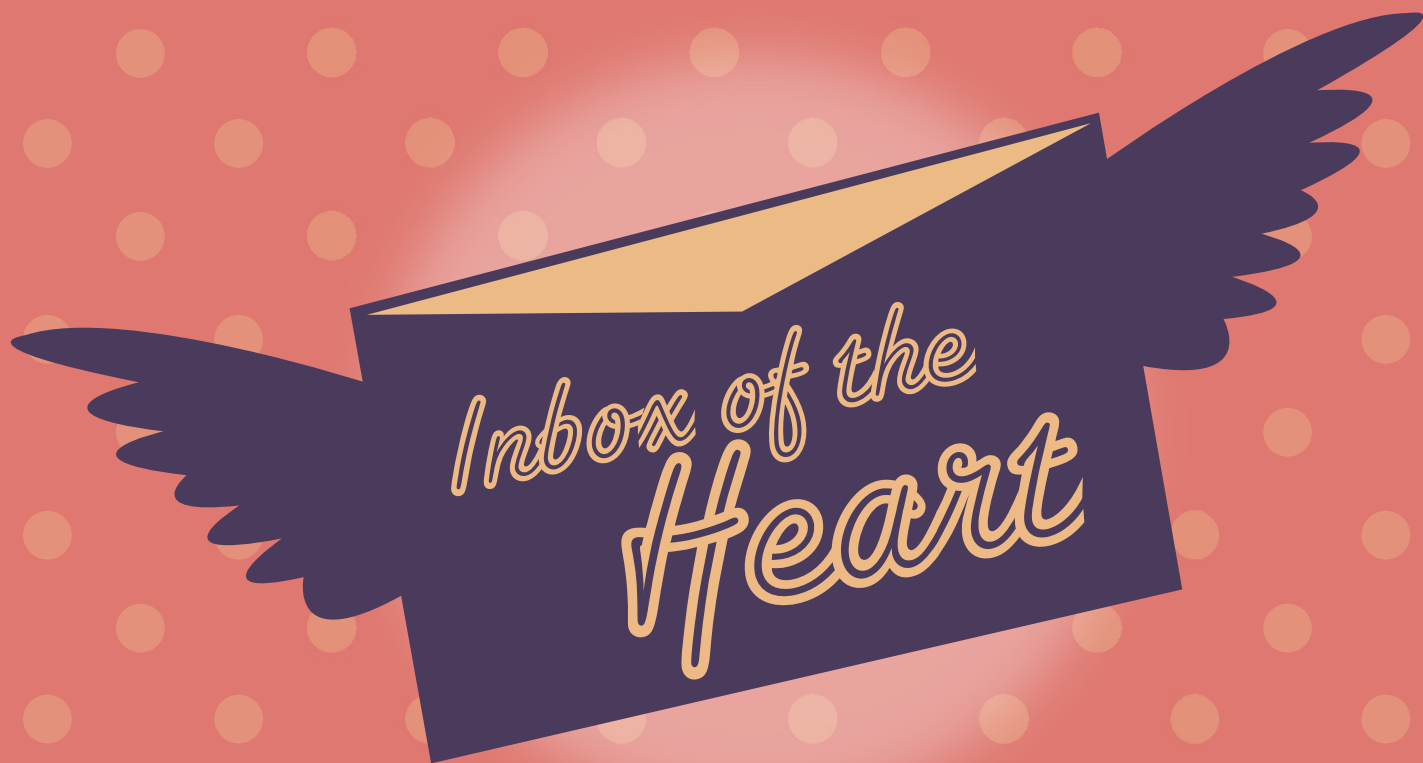
With social networking comes the renewal of old ties. Now changed addresses and lost telephone numbers do not keep people from connecting. With renewing connections comes celebrations that are now incomplete without Archies.

What attracts this new matured audience is the exceptional shift in the paradigm of expressions. We are the proud pioneers of this category. What comes in a wrapped box has gone beyond what is inside. It has become a representation of who the giver is. So they pay more attention into details.

The gift bag completes the sentiment by wrapping feelings more elegantly and the wide range of designer gift bags are growing in popularity.

GIFTWORKS

Gifts during the Festive Season have always been seen as predictable and boring. We decided to bring a sea change in this category. Now these gift items are so desired by our customers for their clients, that they don't just stop there. They prefer Giftworks for even weddings and parties they attend.





Written words will always remain the base of expressing feelings. Words never see age or a person. They only see emotions. Our greeting cards are the messengers of these feelings. They cut across all age groups, occasions and celebrations.

Archies cards go beyond just paper. They are a creation of many elements. A card speaks its own language, so we strive to bring as much variety as possible. To bring the best of these expressions we push all limits of our search. Ranging from the cards of our NGO tie-ups to our top end musical sound cards we always try to keep our collection updated with current trends.

We have cards for every occasion. This includes even those situations that are small occasions in day to day life. Like wishing good luck to a friend or even hoping for someone to get well soon, or expressing sympathy for the loss of a loved one, we cover every possible need that one may have to communicate everyday sentiments.





RUSS[®]
Make
someone
happy[®]

This U.S based brand has been making everyone happy since the 60's. It is one of the first companies to introduce animal other than the bear into the soft toy category. We have an exclusive selling arrangement with Russ for India.

Passport to the world

The globe is now one big market and we endeavour to keep Archies a part of that market. To bring our customers the world's best in Social Expressions, we go beyond our boundaries to understand emotions across the world.

A teddy is no more just a bear. It is a friend, who waits for kids to come home from school. It is a comforting friend. It is a personality with its own story to tell.

We are in association with some of the world leaders in the category of greeting cards, soft toys and other social expression gifts.