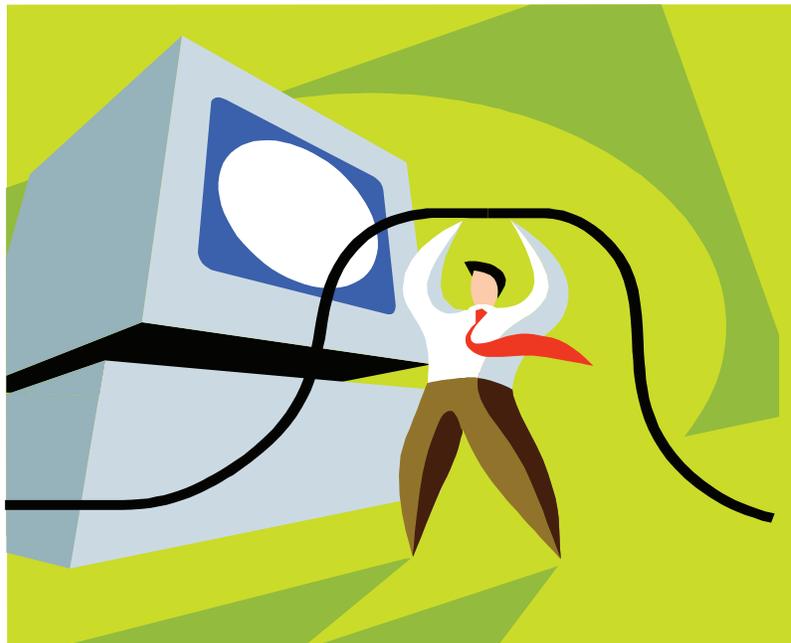


**ARCHANA SOFTWARE LIMITED**



**21<sup>st</sup> ANNUAL REPORT**

**2014 – 2015**



**ARCHANA SOFTWARE LIMITED**

CIN:L65191TN1994PLC029226

Regd. Office: Land Marvel Nest, 1<sup>st</sup> Floor, No.3, 1<sup>st</sup> Main road,

Indira Nagar, Adyar, Chennai – 600020

Phone No. +91-44 6455 5955, Fax: +91-44 2440 5166

website: www.archanasoftware.com, email id : archanasoftware@gmail.com

**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the Company will be held on Tuesday, 29<sup>th</sup> September 2015 at 10.00 a.m. at N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-600 042 for transacting the following business:-

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2015 and the Balance Sheet as on that date together with the Schedules and Notes attached thereto along with Directors' Report and Auditors' Report thereon.
2. To appoint a director in the place of Mr.Chikalpat Yogesh Pai (DIN 02896131) who retires by rotation and be eligible offers himself for reappointment.
3. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of the Section 139, 142 and other applicable provisions if any of the Companies Act,2013 and the rules framed there under, Mr. A. Saravanan, Chartered Accountant (Membership No:026101) be and is hereby appointed as Auditor of the Company for the period of 3 years from the conclusion of this Annual General Meeting till the conclusion of 24<sup>th</sup> Annual General Meeting of the Company (subject to ratification of appointment by the shareholders of the Company at subsequent Annual General Meeting) subject to the terms and conditions as may be mutually agreed and decided by the Board of Directors including fixation of remuneration payable to him exclusive of Service Tax, out of pocked expenses and travelling expenses etc”.

**SPECIAL BUSINESS :**

4. To consider and if thought fit , to pass with or without modification , if any, the following resolution as an **SPECIAL** Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the shareholders of the Company be and is hereby accorded to re-appointment of Mr. Chikalpat Yogesh Pai (DIN 02896131) as Whole Time Director of the Company for a period of three years with effect from September 29, 2015.

**FURTHER RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a remuneration upto Rs. 6,00,000/- (Rupees Six Lakhs Only) per annum to Mr. Chikalpat Yogesh Pai (DIN 02896131), Whole Time Director of the Company, the details of which are given in the Explanatory Statement annexed hereto.

**FURTHER RESOLVED THAT** the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the prior approval of the Central Government.

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

**FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. Chikalpat Yogesh Pai (DIN 02896131), Whole Time Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of 6,00,000/- (Rupees Six Lakhs Only ) per annum.”

By Order of the board

Sd/-

CHIKALPAT YOGESH PAI  
Whole Time Director

PLACE: CHENNAI,  
DATE : 28.08.2015

**Notice to Shareholders:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAT 48 HOURS BEFORE THE MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 % of the total share capital of the company carrying voting rights. A member holding more than 10 % of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their representatives to attend the meeting are requested to send to the company a certified copy of the board resolution authorizing their representative to attend and vote on behalf at the Meeting.
3. The details of director in respect of Items 2 pursuant to clause 49 of the listing agreement with the Bombay Stock Exchange limited are annexed hereto.
4. The Register of beneficial owners, Register of Members and Share Transfer books of the Company will remain closed from **Wednesday 23<sup>rd</sup> September 2015 to Tuesday 29<sup>th</sup> September 2015** (both days inclusive).
5. Members are requested to bring their copies of the Annual Report to the meeting. Please bring the Attendance slip with you duly filled in and handover the same at the entrance of the Meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
6. Members are requested to notify immediately any change in their address to the Company in case their shares held in dematerialized form; this information should be passed so that the information required can be made readily available at the meeting.
7. Members holding shares in physical form are requested to de-materialize the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries. The Share Certificates may be sent to the Registrar & Share Transfer Agent i.e., M/s. Sharex Dynamic India (P) Ltd, Unit No.1 Luthra Industrial Premises, Andheri Kurla Road, Safed Pool, Andheri East, Mumbai- 400072 Tel: 2851 5606/ 5644/ 6338. Email : [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)
8. Members seeking any information or clarifications on the Annual Report are requested to send in their written queries to the company at least one week before the meeting to enable the company compile the information and provide replies at the meeting.

9. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate” by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members are requested to register their e-mail addresses in respect of electronic holdings with the depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following :

[archanasoftware@gmail.com](mailto:archanasoftware@gmail.com) & [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

Members may also note that the aforesaid documents can be downloaded from the company website :- [www.archanasoftware.com](http://www.archanasoftware.com)

10. Voting through electronic means

Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules 2014, the company is pleased to offer e-voting facilities to the members to cast their votes electronically on all resolutions set forth in this notice. Members who do not have e-voting facility can take the benefit of ballot form enclosed herewith. Complete instructions on e-voting and ballot are annexed herewith and forms part of this notice.

**Instructions for e-voting**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on Shareholders.
3. Now Enter your User ID  
 For CDSL: 16 digits beneficiary ID,  
 For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
4. Members holding shares in Physical Form should enter Folio Number registered with the Company.
5. Next enter the Image Verification as displayed and Click on Login.
6. 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.
7. If you are a first time user follow the steps given below:

<b>PAN</b>	<p><b>For Members holding shares in Demat Form and Physical Form</b></p> <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p>
<b>DOB</b> <b>Dividend Bank Details</b>	<p>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.</p> <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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 as mentioned in instruction (iv)</p>

8. After entering these details appropriately, click on “SUBMIT” tab.
9. Members holding shares in physical form will then directly reach 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.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
11. Click on the EVSN for the relevant “ARCHANA SOFTWARE LIMITED” on which you choose to vote.
12. 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.
13. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
14. 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.
15. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
16. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
17. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
19. 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
20. Evoting Period begins on **Saturday the 26<sup>th</sup> September 2015 at 10.00 am and ends on Monday the 28<sup>th</sup> September 2015 at 5.00 pm.**
21. 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 **Tuesday 22<sup>nd</sup> September 2015**), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
22. Members have an option to vote either electronically (availing services provided by CDSL) or by using the poll slips to be distributed at the meeting. If the members have cast their vote electronically, then they should not cast their vote at the meeting. However if a member has voted electronically and has again voted at the meeting, then the voting done through evoting shall prevail and voting done at the meeting shall be treated as invalid.
23. Shri. P ThirumalaiKumar, Company Secretary in Practice (Membership No: ACS No 13376, CP No 9919) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
24. The Results shall be declared on or after the Annual General Meeting (AGM). The results declared along with the scrutinizers report shall be placed on the company’s website [www.archanasoftware.com](http://www.archanasoftware.com) and on the website of CDSL within two(2) working days of passing the resolutions at the AGM of the company and communicated to the Bombay Stock Exchange Limited on which the shares of the company are listed.

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**

**Item No 4**

Mr. ChikalPat Yogesh Pai is Forty Seven (47) years old who has around 24 years of rich experience in the marketing arena. He is performing an effective strategic role in marketing portfolio and an expert in deliverance of the offerings that have high value for the customers. Equipped with an M.B.A. education, he has an ability to develop appropriate structures, systems, competencies and values in order to meet and exceed the goals of the Marketing Plan consistently.

His interest in Business Quiz Program keeps him updated with latest developments in various industries and thus helps value addition in his role as a Director of the Company i.e., M/s. Archana Software Ltd. His specialisation includes researching and instilling a marketing led ethos throughout the business, reporting on external opportunities and understanding current and potential customers. His knowledge of various aspects relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. Chikalpat Yogesh Pai should be available to the Company for a further period of three years with effect from September 29, 2015.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on August 28, 2015, reappointed him as Whole Time Director of the Company for a further period of three years with effect from September 29, 2015 on a remuneration of upto Rs.6,00,000/- (Rupees Six Lakhs Only) per annum. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to him with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. ChikalPat Yogesh Pai is concerned or interested in the resolution.

Accordingly the Board recommends the passing of the special resolution as set out in the item no.4 of the Notice.

PLACE: CHENNAI  
DATE : 28.08.2015.

By Order of the Board  
Sd/-  
Chikalpat Yogesh Pai  
Whole Time Director

**Details of Directors seeking Appointment/Re-appointment at the Annual General Meeting  
(In pursuance of Clause 49 of the Listing Agreement)**

<b>Name of the Director</b>	Mr. ChikalPat Yogesh Pai
<b>Age</b>	47
<b>Date of Appointment</b>	03/08/2010
<b>Qualifications</b>	Master of Business Administration
<b>Number of Shares held</b>	NIL
<b>Expertise in specific functional areas</b>	<p>Mr. Pai, as he is known in the business circles, has around 24 years of rich experience in the marketing arena. He is performing an effective strategic role in marketing portfolio and an expert in deliverance of the offerings that have high value for the customers. Equipped with an M.B.A. education, he has an ability to develop appropriate structures, systems, competencies and values in order to meet and exceed the goals of the Marketing Plan consistently.</p> <p>His interest in Business Quiz Program keeps him updated with latest developments in various industries and thus helps value addition in his role as a Director of the Company i.e., M/s. Archana Software Ltd. His specialisation includes researching and instilling a marketing led ethos throughout the business, reporting on external opportunities and understanding current and potential customers.</p>
<b>Other Directorships</b>	1. Shakthi Knitting Limited
<b>Committee positions in other Public companies</b>	Nil
<b>Relationship between Directors inter-se</b>	Nil

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report on the working of the Company along with the audited Balance Sheet and Profit Loss Account for the year ended 31<sup>st</sup> March 2015.

**FINANCIAL RESULTS**

**Rs. in Lacs**

<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
Sales Income	549.10	547.37
Profit / (Loss) before Tax	(0.46)	2.02
Profit / (Loss) after Tax	2.42	1.88
Balance carried to Balance Sheet	(648.26)	(650.68)

**DIVIDEND**

No dividend has been recommended for the year.

**OPERATIONS**

The efforts taken by the company have resulted into an increase of turnover from Rs.547.37 Lakhs in the previous year to Rs.549.10 Lakhs in the current year. However, the net profit has taken a dip with the adoption of revised depreciation calculation methodology as stipulated by The Companies Act 2013. Your directors are confident of registering substantial increase in turnover and profits in the coming years.

**FUTURE PLAN**

Relationship with the customers in the textile business has opened up a new business avenue for the company. Your directors are exploring the opportunities to venture into textile products to increase the business volume.

**A.CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

Since the Company is engaged in the Computer Software Development, the question of conservation of Energy and Technology Absorption does not arise.

## **B. FOREIGN EXCHANGE EARNING AND OUTGO**

There was no foreign exchange expenses and income during the year.

## **C. PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956.**

During the year, no employee was paid more than Rs.5,00,000/- per month or Rs.60,00,000/- per annum.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm:

- i. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same.
- ii. That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for that period.
- ii. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company preventing and detecting fraud and other irregularities.
- iv. That they have prepared the annual accounts on the 'going concern' basis

## **CORPORATE GOVERNANCE:**

A report on Corporate Governance, pursuant to clause 49, is annexed hereto and forms part of this report. A certificate from Mr. A. Saravanan, Chartered Accountants, Tirupur, Statutory Auditors of the Company regarding compliance of conditions of corporate governance stipulated by the stock exchanges is annexed to this report.

## **ANNUAL RETURN**

An extract of Annual Return as on 31 March 2015 pursuant to Section 92 ( 3) of the Companies Act, 2013 and forming part of the report is attached separately as **Annexure-A**

## **CODE OF CONDUCT**

The Company has adopted a code of conduct for the Board of Directors and senior management of the Company and all of them have affirmed compliance of the same.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

In accordance with the listing agreement, the Management Discussion and Analysis Report is annexed hereto and forms part of this report.

### **AUDIT COMMITTEE**

Your company has complied with the provisions of Section 177 of the Companies Act, 2013 as to constitution of Audit Committee with Mr. S Sonnachalam and Mr. Chikalpat Yogesh Pai are being members of the said committee. Mr. V Ramani is the Chairman of the committee. The committee met four times during the year. Mr. V Paranthaman was inducted into the committee on 31<sup>st</sup> March 2015 after his appointment in the board.

### **PUBLIC DEPOSIT**

The Company has not accepted any deposit from the public during the year under review.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES.**

All Contracts/arrangements/transactions entered by the company during the financial year 2014-15 with related parties were in the ordinary course of business and on an arm's length basis. Details given in the **Annexure-E**

### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES.**

The Companies Act, 2015 lays down a mandatory provision wherein every company having

- Net worth of rupees five hundred crore or more, or
- Turnover of rupees one thousand crore or more or
- Net profit of rupees five crore or more

during any financial year, shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. As the said provisions are not applicable to the company, it has not developed and implemented any Corporate Social Responsibility initiatives.

### **FORMAL ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD AND ITS COMMITTEES**

The manner in which the formal evaluation of the members of both the board and various committees constituted by the company has been covered in the “**Corporate Governance Report**” to this report.

The following policies relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 of the company are attached for

- (a) Policy relating to selection of directors appointment. -Annexure -C
- (b) Remuneration Policy for directors, Key Managerial Personnel and other employees.- Annexure-D

## **LISTING**

The Shares of your company is presently listed in the Bombay Stock Exchange (BSE).

## **DIRECTORS**

### **a. Re-appointment:**

Mr. Chikalpat Yogesh Pai, Whole Time Director of the Company retires by rotation at this Annual General meeting and being eligible offers himself for appointment.

On 31<sup>st</sup> March 2015, Mr. V Paranthaman has joined the Board as Independent Director & Mrs. P Parimala was inducted into the Board as Independent & Women Director.

Resignation : Mr. V Ramani resigned from directorship and all committee on 8<sup>th</sup> June 2015.

## **AUDITORS**

The Statutory auditor Mr.A.Saravanan, Chartered Accountants, Tirupur, retires at the ensuing Annual General Meeting and is eligible for reappointment.

The Board has appointed Mr.P Thirumalaikumar, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended March 31, 2015 is annexed herewith. Annexure-B.

## **ENVIRONMENT COMPLIANCE:**

India is the seventh largest country in the world by geographical area. While progress in the environmental front is being made, India still faces some major challenges.. Despite highly evolved environmental laws and regulations in some areas, many environmental practices such as regulation of air pollutants using model seen in western countries are still at a very rudimentary stage in India. Increased environmental regulations will likely become a key area of concern in the near future.

The increasing desire of Indian companies to meet world class standards has caused established companies in India to take on sustainable initiatives as a means of improving their global brand and reputation and the environmental sector is expected to be at the forefront of India's evolving story in the coming years.

The Company has already considered the prerequisites of environment compliance long way back and is doing new initiative every year. Some of the major initiatives of regular basis are:

Slogan of the Company – “One planet, one earth, one nature which propagates Save the earth for better tomorrow”.

By regular training for workers and staff to prevent accident related to mechanical, electrical, chemical, physiological and psychological safety the Company has made Zero incidents as acceptable standard.

The Company has started project to conserve water and energy, minimize generation of waste, minimize carbon foot print, generate pollution prevention awareness throughout the plant and to achieve 100 percent legal compliance.

**GENERAL**

The Management is grateful to the shareholders, valued customers, bankers and vendors for the continued support and co-operation.

The Director also wishes to place on record their appreciation of the support and co-operation of all employees to enable the company to achieve its growth plans.

On behalf of Board of Directors

Sd/-

Chikalpat Yogesh Pai  
Whole Time Director

DATE : 28.08.2015.

PLACE: CHENNAI

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015****A. Philosophy on Code of Governance:**

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. It ensures fairness, transparency and integrity of the management. It further inspires and strengthens investor's confidence and commitment to the company.

Your company's policy on governance has been

1.to enhance the long-term interest of its shareholders and to provide good management, the adoption of prudent risk management techniques, compliance with the statutory requirements and thereby safeguarding the interest of shareholders, creditors, investors and employees; and

2.to identify and recognize the Board of Directors and the Management of our company as the principal instrument through which corporate governance principles are articulated and implemented. Further to identify and recognize accountability, transparency and equality of treatment for stakeholders, as central tenets of good corporate governance

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

**B. Board of Directors**

**Composition & Category of Directors as on 31<sup>st</sup> March 2015 is as follows:**

Category	No. of Directors	%
Executive Directors	1	16.67%
Non-Executive & Independent Directors	*4	66.67%
Promoter Director ( Non-Executive)	1	16.66%
<b>Total</b>	<b>6</b>	<b>100%</b>

\*Mr. V Ramani resigned from Directorship on 08<sup>th</sup> June 2015

The function, responsibility, role and accountability of the Board are well defined. The Board approves the annual budget. The detail reports of the company's performance are periodically placed before the Board.

The Board met 6 (Six times) on the following dates during the financial year 2014 -15

30<sup>th</sup> April 2014, 18<sup>th</sup> July 2014, 03<sup>rd</sup> September 2014, 31<sup>st</sup> October 2014, 31<sup>st</sup> January 2015 and 31<sup>st</sup> March 2015

The Company has Executive and Independent directors. None of the Directors on the board is a member on more than 10 committees (as specified in Clause 49 of the Listing Agreement with Stock Exchanges) across all the companies in which they are Directors.

The composition of the Board as on 31<sup>st</sup> March 2015 as well as names and categories of the directors on the board, their attendance at Board Meetings held during the financial year 2013 – 14 and also at the last Annual General Meeting were as follows:

<b>Name of Directors</b>	<b>Category</b>	<b>Membership Chairmanship held in committees of other companies</b>	<b>No. of Directorships Held</b>	<b>Number of Meeting Attended</b>	<b>Attendance at last AGM</b>
Mr. Chikalpat Yogesh Pai	Whole Time Director	-	Shakthi Knitting Limited-Director	6	Yes
Mr. S Vasanthkkumar	Non Executive Director	-	Shakthi Knitting Limited-Managing Director	6	Yes
Mr. S Sonnachalam	Independent Director	-	Shakthi Knitting Limited-Director	6	Yes
*Mr. V Paranthaman	Independent Director	-	-	1	-
*Ms. P Parimala	Independent Women Director	-	-	1	-
**Mr. V. Ramani	Independent Director	-	-	6	Yes

\*Mr. V Paranthaman & Mrs. P Parimala were appointed on 31<sup>st</sup> March 2015

\*\*Mr. V. Ramani resigned from directorship on 8<sup>th</sup> June 2015

**C. Committees of the Board:**

The Board of Directors has constituted the following committees with commensurate delegation of powers to discharge affairs of the company on a periodical basis as well as to meet the business exigencies of the company.

**1. Nomination & Remuneration Committee:**

**Term of reference:**

Nomination and Remuneration Policy has been framed by the Board of Directors.

The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees, including Directors and Key Managerial Personnel, appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company. For administrative convenience and quicker decisions, the committee was constituted in the line with the provisions of section to the needs.

For the year ended 31<sup>st</sup> March 2015 the committee met on the following dates:

June 26, 2014                      September 20, 2014                      December 18, 2014                      March 12, 2015

**Composition:**

Name of the members:

Mr. Chikalpat Yogesh Pai

Mr. S.Sonaachalam

**Directors' Remuneration paid**

Name	Salary (Rs.)	Stock options granted	Total (Rs.)
Mr. Chikalpat Yogesh Pai	1,20,000	NIL	1,20,000

**Remuneration of Non- Executive Directors & Independent Directors- NIL**

**2. Audit committee:**

**a)Term of reference:** The terms of reference of the AC are in accordance with clause 49 of the Listing Agreement and it includes the following

1. To provide direction and to oversee the operations of the audit functions in the company.
2. To review the adequacy of internal control system and internal audit function with special emphasis on their quality and effectiveness.
3. To review half yearly and annual financial results before submission to the Board for approval.
4. To investigate into any matter in relation to the items specified in Section 177 of the companies Act 2013.

5. To have full access to information contained in the records of the company and external professional advice, if necessary.
6. To oversee the company's financial process and the disclosure of its financial information to ensure that the financial statements are true and fair.
7. To discuss with statutory auditors before commencement of audit about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

**b)Composition:**

The composition of the Committee as on 31<sup>st</sup> March 2015 as well as their attendance at the Meetings held during the financial year 2014 – 15 as follows:

<b>Name of members</b>	<b>No. of meetings attended</b>
**Mr. V Ramani - Chairman	2
Mr. Chikalpat Yogesh Pai	4
Mr. S Sonnachalam	4
*Mr. V Paranthaman	-

\*Mr. V Paranthaman was appointed on 31<sup>st</sup> March 2015

\*\*Mr. V. Ramani resigned from directorship on 8<sup>th</sup> June 2015

The audit committee of directors had 5 met during the period under review and the meetings were held on

30<sup>th</sup> April 2014, 18<sup>th</sup> July 2014, 3<sup>rd</sup> September 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015

All the members of the committee have wide exposure and posses sound knowledge in the area of accounts, finance, audit, internal control etc. Statutory Auditors, Internal Auditor and the Chief Financial Officer were present in the meetings

All the members on that date, were present at the last Annual General Meeting held on 29<sup>th</sup> September 2014.

**3. Shareholders'/Investors Grievance Committee:**

**Terms of reference:**

To look into redressal of shareholders'/investors' grievances relating to non-receipt of dividend, non-receipt of balance sheet, transfer, etc.

They periodically reviewed the investors complaints received and redressed. During the year, the said committee met 4 times on 30<sup>th</sup> April 2014, 18<sup>th</sup> July 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015 to review the shareholders'/investors' grievances.

**b) Composition and Attendance:**

<b>Name of the Members</b>	<b>No of Meetings Attended</b>
Mr. S Sonnachalam- Chairman	4
**Mr. V Ramani- Member	4
Mrs. P Parimala - Member	-

\*\*Mr. V. Ramani resigned from directorship on 8<sup>th</sup> June 2015

Name, Designation and address of Compliance Officer:

**Mr. C. Yogesh Pai**

Whole Time Director

Archana Software Limited,

'Land Marvel Nest', F-I,

3, First Main Road,

Indira Nagar, Adyar,

Chennai – 600 020.

Status of Investors complaints as on March 31, 2015 are as under:

Complaints as on April 1, 2014 - Nil

Received during the year - 1

Resolved during the year - 1

Pending as on March 31, 2015 - Nil

Compliance / correspondence are usually dealt with within 2 weeks of receipts and are completely resolved except in cases where litigation is involved.

**4. Share Transfer Committee:**

The Share Transfer Committee was formed on June 16, 2001. It considers transfer / transmission of shares issued by the Company, issue of duplicate certificates and certificates after split/consolidation / renewal. During the year the Committee met several times. Share transfer lodgements are processed within 20 days and returned except in cases where litigation is involved.

**5. Corporate Social Responsibility Committee:**

Terms of reference: The CSR Committee, aims to ensure that corporate social responsibility with a positive impact on people and communities.

Date of Meetings: (Total no. of meetings – 4) 30<sup>th</sup> April 2014, 18<sup>th</sup> July 2014, 31<sup>st</sup> October 2014 and 30<sup>th</sup> January 2015

Composition:

Name of the Members	No of Meetings Attended
Mr. S Sonnachalam- Chairman	4
**Mr. V Ramani- Member	4
Mrs. P Paranthaman - Member	-

\*\*Mr. V. Ramani resigned from directorship on 8<sup>th</sup> June 2015

**6. Whistle Blower Protection Committee:**

Whistle Blower Policy: A Whistle Blower Policy has been framed by the Board of Directors for employees to report to the Management:

- Instances of unethical behaviour, actual or suspected, fraud or violation of the Company’s Code or Ethics
- In case of any event of misconduct, act of misdemeanor or act not in Company’s interest, which could affect the business or reputation of the Company.

Name of the Members	No of Meetings Attended
Mr. S Sonnachalam- Chairman	4
**Mr. V Ramani- Member	4
Mrs. P Paranthaman - Member	-

\*\*Mr. V. Ramani resigned from directorship on 8<sup>th</sup> June 2015

The Committee has not received any information from Whistle Blower in the current year

**7. Details of General Body Meeting:**

Year	Location	Date	Time
2010-11	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2011	10.00 A.M
2011-12	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2012	10.00 A.M
2012-13	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	27.09.2013	10.00 A.M
2013-14	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2014	10.00 A.M

**5. Disclosures:**

Subsidiary Company:

There is no subsidiary company nor holding company.

**6. Means of Communication:**

a.Quarterly / half yearly & annual results are communicated through newspaper advertisements and press releases.

b. The results are generally published in the News Today / Trinity Mirror for English and Malai Sudar / Makkal Kural for Tamil publications.

c. The Management Discussion and Analysis Report for the year 2014-2015 forms part of the Annual Report.

## 7. General Shareholder Information

- 1. AGM: Date, time and venue** : 29.09.2015, 10.00 AM  
N.M.S. Marriage hall,  
61f, Main Road,  
Vellachery,  
Chennai-600 042.
- 2. Date of Book Closure** : 23.09.2015 to 29.09.2015 (both days inclusive)
- 3. Tentative dates of Board Meetings for considering the results (2015-2016):**  
1<sup>st</sup> Quarter, last week of July 2015  
2<sup>nd</sup> Quarter, last week of October 2015  
3<sup>rd</sup> Quarter, last week of January 2016  
4<sup>th</sup> Quarter, last week of April 2016
- 4. Your Company's Shares is listed in the following stock exchange**  
The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

### 5. Registrar and Share Transfer Agents

M/s. Sharex Dynamic (India) Pvt Ltd,  
Unit – 1, Luthra Ind. Premise, Safed Pool,  
Andheri Kurla Road, Andheri (E), Mumbai – 400 001.  
Phone: +91 22 – 2851 5606 Fax: +91 22 – 2851 2885  
E-mail: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

### 6. Share Transfer System

A share transfer committee of the Board consisting of a few Directors has been formed to look after the matters relating to the transfer of shares, issue of duplicate share certificates in lieu of mutilated certificates and other related matters.

### 7. Dematerialization of shares and liquidity:

According to a Notification of the Securities and Exchange Board of India, the equity shares of the company shall be traded compulsorily in demat form by all investors with effect from 24.07.2000. The company had already entered into agreement with the National Securities Depository Limited (NSDL) so as to provide the members an opportunity to hold and trade shares of the Company in electronic form.

As on 31<sup>st</sup> March 2015, out of total 60,66,700 equity shares of the company 37,44,500 shares representing 61.72% of total shares have been dematerialized. The detailed breakup of shares as on 30<sup>st</sup> March 2015 is as follows:

Particulars	No of Shares	%
CDSL	449082	7.40%
NSDL	3295418	54.32%
Physical	2322200	38.28%
Total	6066700	100.00%

### 8. Stock Market Data

Market price data of the Company's shares in the Bombay Stock Exchange:

Month	The Bombay Stock Exchange	
	High (Rs.)	Low(Rs.)
April 2014	1.39	1.25
May 2014	1.20	0.99
June 2014	0.99	0.77
July 2014	1.57	0.90
August 2014	1.39	1.25
September 2014	1.25	0.93
October 2014	1.15	0.92
November 2014	0.97	0.81
December 2014	0.90	0.55
January 2015	0.85	0.56
February 2015	1.58	0.89
March 2015	1.83	1.51

### 9. Distribution of shareholding as on 31<sup>st</sup> March 2015

**Total Nominal Value:**

Nominal value of each equity share Rs.10 each

**Total number of Equity shares: 6066700**

Type of Shareholder	No. of Shareholder	No. of Share	No. of Share in Demat	% of Holding
Individual - Promoter	1	128361	128361	2.12
Public Shareholding	55	1231724	631624	20.30
a)Body Corporates				
b)Individuals	6643	4705025	2982925	77.56

ARCHANA SOFTWARE LIMITED

c) Clearing Members	1	290	290	0.00
d) NRIs	3	1300	1300	0.02
<b>Total</b>	<b>6703</b>	<b>6066700</b>	<b>3744500</b>	<b>100.00</b>

10. The company has not issued any GDRs/ADRs/Warrants or other instruments, which are pending for conversation.

11. Address for correspondence relating to shares and Secretarial materials.

Mr. C. Yogesh pai  
 Whole Time Director  
 'Land Marvel Nest', - F-I,  
 3, First main Road, Indira nagar,  
 Adyar, Chennai – 600 020

**Annexure - A**  
**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31<sup>st</sup> March 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L65191TN1994PLC029226
2	Registration Date	15 <sup>th</sup> December 1994
3	Name of the Company	Archana Software Limited
4	Category / Sub-Category of the Company	Public Company, Limited by Shares
5	Address of the Registered office and Contact Details	Land Marvel Nest, 1 <sup>st</sup> Floor, No.3, 1 <sup>st</sup> Main road, Indira Nagar, Adyar, Chennai – 600020 Phone No. +91-44 6455 5955, Fax: +91-44 2440 5166 website: www.archanasoftware.com, email id: archanasoftware@gmail.com
6	Whether Listed Company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Pvt Ltd, Unit – 1, Luthra Ind. Premise, Safed Pool, Andheri Kurla Road , Andheri (E), Mumbai – 400 001. Phone: +91 22 – 2851 5606 Fax: +91 22 – 2851 2885 E-mail: sharexindia@vsnl.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No	Name & Description of the Main product	NIC code of the Product	% to the total Turnover of the Company
1.	Computer Programming Consultancy, Related Activities	620	
2	Garments Trading		

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name & Address of the Company	CIN /GLN	Holding/ Subsidiary/ Associate company	% of Shares held	Applicable Section
	NIL				

## IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014	No. of Shares held at the end of the year 31/03/2015	% Change during the year					
			Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. PRO-MOTER'S</b>								
<b>(1). INDIAN</b>								
<b>(a). individual</b>	150000	102730	252730	4.166	128361	0	128361	2.116
<b>(b). Central Govt.</b>								
<b>(c). State Govt(s).</b>	0	0	0		0	0	0	
<b>(d). Bodies Corp.</b>	432740	600000	1032740	17.023	0	0	0	
<b>(e). FIINS / BANKS.</b>	0	0	0		0	0	0	
<b>(f). Any Other</b>		0				0		
<b>Sub-total (A) (1):-</b>	<b>582740</b>	<b>702730</b>	<b>1285470</b>	<b>21.189</b>	<b>128361</b>	<b>0</b>	<b>128361</b>	<b>2.116</b>

<b>(2). FOR- EIGN</b>								
<b>(a). Individu- al NRI / For Ind</b>	0	0	0		0	0	0	
<b>(b). Other In- dividual</b>								
<b>(c). Bodies Corporates</b>	0	0	0		0	0	0	
<b>(d). Banks / FII</b>	0	0	0		0	0	0	
<b>(e). Qualified Foreign In- vestor</b>	0	0	0		0	0	0	
<b>(f). Any Oth- er Specify</b>	0	0	0		0	0	0	
<b>Sub-total (A) (2):-</b>	0	0	0	0	0	0	0	0
<b>Total share- holding of Promoter (A) = (A)(1)+ (A)(2)</b>	<b>582740</b>	<b>702730</b>	<b>1285470</b>	<b>21.189</b>	<b>128361</b>	<b>0</b>	<b>128361</b>	<b>2.116</b>
<b>(B) (1). PUB- LIC SHARE- HOLDING</b>								
<b>(a). Mutual Funds</b>	0	0	0		0	0	0	
<b>(b). Banks / FI</b>	0	0	0		0	0	0	
<b>(c). Central Govt.</b>								
<b>(d). State Govt.</b>	0	0	0		0	0	0	

<b>(e). Venture Capital Funds</b>	0	0	0		0	0	0	
<b>(f). Insurance Companies</b>	0	0	0		0	0	0	
<b>(g). FIs</b>	0	0	0		0	0	0	
<b>(h). Foreign Venture Capital Funds</b>	0	0	0		0	0	0	
<b>(i). Others (specify)</b>	0	0	0		0	0	0	
<b>Sub-total (B) (1):-</b>	<b>0</b>							
<b>2. Non-Institutions</b>								
<b>(a). BODIES CORP.</b>								
(i). Indian	203569	100	203669	3.357	631624	600100	1231724	20.303
(ii). Overseas								
<b>(b). Individuals</b>								
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1898999	555116	2454115	40.452	1854668	554336	2409004	39.709
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1054476	1065054	2119530	34.937	1128257	1167764	2296021	37.846

(c). Other (specify)								
Non Resident Indians	900	0	900	0.015	1300	0	1300	0.021
Overseas Corporate Bodies	0	0	0		0	0	0	
Foreign Nationals		0				0		
Clearing Members	3016	0	3016	0.05	290	0	290	0.005
Trusts		0				0		
Foreign Boodies - D R		0				0		
<b>Sub-total (B) (2):-</b>	<b>3160960</b>	<b>1620270</b>	<b>4781230</b>	<b>78.811</b>	<b>3616139</b>	<b>2000000</b>	<b>5938339</b>	<b>97.884</b>
<b>Total Public Shareholding (B)=(B) (1)+ (B)(2)</b>	<b>3160960</b>	<b>1620270</b>	<b>4781230</b>	<b>78.811</b>	<b>3616139</b>	<b>2000000</b>	<b>5938339</b>	<b>97.884</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>								
<b>Grand Total (A+B+C)</b>	<b>3743700</b>	<b>2323000</b>	<b>6066700</b>	<b>100.00</b>	<b>3744500</b>	<b>2000000</b>	<b>6066700</b>	<b>100.00</b>

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014	Share holding at the end of the Year 31/03/2015				
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares
1	RAJASANKAR R	52200	0.86		0	0	
2	RAVISANKAR D	10	0		0	0	
3	DURAI S	10	0		0	0	
4	RAMANATHAN V P	10010	0.165		0	0	
5	K R JAIN	40500	0.668		0	0	
6	VALLABAI R	150000	2.473		0	0	
7	VASANTH KUMAR S	0	0		128361	2.116	
8	Shankar Homes P. Ltd	1032740	0		0	0	

(iii) Change in Promoters' Shareholding ( please specify, if there is no change)

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2014	Share holding at the end of the Year 31/03/2015				
		No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares
1	VASANTH KUMAR S	0	0	01/04/2014			48800
				16/05/2014	300	Transfer	49100
				31/10/2014	39803	Transfer	88903
				06/02/2015	39458	Transfer	128361
	<b>Closing Balance</b>			31/03/2015			128361

2	RAJASANKAR R	52200	0.86				
				29/04/2013	52200	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			0
2	RAVISANKAR D	10	0				
				29/04/2013	10	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			
4	DURAI S	10	0				
				29/04/2013	10	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			
5	RAMANATHAN V P	10010	0.165				
				29/04/2013	10010	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			
6	K R JAIN	40500	0.668				
				29/04/2013	40500	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			
7	VALLABAI R	150000	2.473				
				29/04/2013	150000	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			

8	Shankar Homes P. Ltd	1032740	0				
				29/04/2013	1032740	Category changed due to Open Offer	0
	<b>-Closing Balance</b>			31/03/2015			

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

sr . no	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	SANKAR HOMES PVT LTD	600000	9.89	01/04/2014		Category change d due to open offer		
	<b>-Closing Balance</b>			31/03/2015			600000	9.89
2	SANKAR HOMES PRIVATE LIMITED	432740	7.133	01/04/2014		Category change d due to open offer		
	<b>-Closing Balance</b>			31/03/2015			432740	7.133
3	MONT BLANC FINANCIAL SERVICES LTD	136300	2.247	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			136300	2.247

4	<b>R SUMER CHAND BAFNA</b>	50000	0.824	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			50000	0.824
5	<b>SAWHNEY DEEPAK</b>	182275	3.005	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			182275	3.005
6	<b>S KALIAPPAN</b>	508200	8.377	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			508200	8.377
7	<b>DIPAK RAJ</b>	55000	0.907	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			55000	0.907
8	<b>RAJSANKAR R</b>	52200	0.860	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			52200	0.860
9	<b>K R JAIN</b>	40500	0.668	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			40500	0.668
10	<b>VALLABAI R</b>	150000	2.473	01/04/2014				
	<b>-Closing Balance</b>			31/03/2015			150000	2.473

*(v) Shareholding of Directors and Key Managerial Personnel:*

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>S VasanthKumar</b> Promoter Director				
	At the beginning of the year	48800	0.80%	48800	0.80%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	16/05/2014				
	31/10/2014	300	0.005%	49100	0.81%
		39803	0.66%	88903	1.46%
	06/02/2015	39458	0.65%	128361	2.16%
	At the End of the year	128361	2.116%	128361	2.116%

**V. INDEBTEDNESS**

<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	NIL	NIL	NIL	NIL
· Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		MD	WTD	---	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	1,20,000/-		1,20,000/-
2.	Stock Option	NIL	NIL		NIL
3.	Sweat Equity	NIL	NIL		NIL
4.	Commission - as % of profit - others, specify...		NIL NIL		NIL NIL
5.	Others, please specify	NIL	NIL		NIL
	Total (A)		1,20,000/-		1,20,000/-
	Ceiling as per the Act	NIL			

**B. Remuneration to other directors:**

Sl. no.	Particulars of Remuneration	Name of Directors		Total
		S Sonnachalam	V Ramani	
1	Independent Directors			
	-Fee for attending board committee meetings	NIL	NIL	NIL
	- Commission	NIL	NIL	NIL
	- Others, please specify	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL
	4. Other Non-Executive Directors			
	- Fee for attending board committee meetings	NIL	NIL	NIL
	- Commission	NIL	NIL	NIL
	- Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial	NIL	NIL	NIL
	Overall Ceiling as per the Act			

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	72,000/-	NIL	60,000/-	1,32,000/-
	(b) Value of perquisites u/s 17(2) Act, 1961 Income-tax	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL

2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL NIL	NIL NIL	NIL NIL	NIL NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>72,000/-</b>	<b>NIL</b>	<b>60,000/-</b>	<b>1,32,000/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalties/ Punishment/ Compounding fees imposed	Authority (RD)/NCLT/ Court)	Appeals made if any (give Details)
<b>A. Company</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. Directors</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. Other Officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

**Annexure B**  
**FORM NO- MR-3**  
**Secretarial Audit Report**

For The Financial Year Ended 31st March, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members

**M/s. Archana Software Limited**  
'Land Marvel Nest', F-I, 3,  
First Main Road, Indira Nagar,  
Adyar, Chennai – 600 020.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Archana Software Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, subject to observations annexed herewith, the during the audit period ended on 31st March, 2015 ( ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Archana Software Limited for the period ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable to the Company :-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable during the audit period);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India ( Share Based Employee Benefits ) Regulations, 2014 notified on 28th October, 2014 ( Not Applicable during the audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities ) Regulations, 2008 ( Not Applicable during the audit period) ;

- f. The Securities and Exchange Board of India ( Registrars to an Issue and Share Transfer Agents ) Regulations, 1993 regarding the Companies Act and dealing with Client;
- g. The Securities and Exchange Board of India ( Delisting of Equity Shares ) Regulations 2009 ( Not Applicable during the audit period) and;
- h. The Securities and Exchange Board of India ( Buyback of Securities ) Regulations 1998 (Not Applicable during the audit period);

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India ( Not notified during the audit period and hence not applicable to the Company)
- ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

I further report that , having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the company has complied with the following law applicable specifically to the company

- a) Information Technology Act, 2000 and the rules made there under.
- b) Software Technology Parks of India rules and regulations

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out and are recorded in the minutes of the meeting of the Board of Directors or Committee of the Board as the case may be.

I further report that as far as possible there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-  
**P Thirumalai Kumar**  
ACS No.13376  
COP No. 9919

Place: Chennai  
Date : 28<sup>th</sup> May 2015

**ANNEXURE-C**

**POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE**

**1) Introduction**

a) The Company i.e., M/s. Archana Software Limited (ASL ) believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance.

Towards this, ASL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

b) ASL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. ASL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

**2) Scope and Exclusion**

a) This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company.

**3) Terms and References**

In this Policy, the following terms shall have the following meanings:

a) "Director" means a director appointed to the Board of a company.

b) "Nomination and Remuneration Committee" means the committee constituted by ASL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

c) "Independent Director" means a director referred to in subsection (6) of Section 149 of the Companies Act, 2013 and Clause 49(II)(B) of the Equity Listing Agreement.

**4) Policy**

**d) Qualifications and criteria**

i) The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that are relevant for the Company's global operations.

ii) In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background
- Standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

iii) The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, Equity Listing Agreements and other relevant laws.

iv) The NR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

e) Criteria of Independence

I) The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

II) The criteria of independence, as laid down in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement, is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- who is or was not a promoter of the company or its holding, subsidiary or associate company;
- who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year; who, neither himself nor any of his relatives—

I. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

II. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

A. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding subsidiary or associate company; or

B. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

III. holds together with his relatives two per cent or more of the total voting power of the company; or

IV. is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company; or

V. is a material supplier, service provider or customer or a lessor or lessee of the company.

- shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

Other directorships / committee memberships

4.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

**ANNEXURE -D**

**REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

**1. Introduction**

1.1 Archana Software Limited (ASL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.

1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

**2. Scope and Exclusion:**

2.1 This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

**3. Terms and References:**

In this Policy, the following terms shall have the following meanings:

III.1 “Director” means a director appointed to the Board of the Company.

III.2 “Key Managerial Personnel” means

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer; and

(v) such other officer as may be prescribed under the Companies Act, 2013

III.3 “Nomination and Remuneration Committee” means the committee constituted by ASL’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement.

**4. Policy:**

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the NR Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Retirement benefits

(vi) Annual Performance Bonus

4.1.4 The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors.

4.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4.3 Remuneration to other employees

4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

**ANNEXURE -E**  
**FORM NO. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm’s length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions at arms’ length basis:

Name of the related party and nature of relationship	Nature of Contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the Contracts / arrangements / transactions including the value, if any	Date of approval by the Board	Amount paid as Advance
Shakthi Knitting Limited	for sale, purchase of goods and to provide / avail services to / from Archana Software Limited, a related party, subject to a maximum aggregate transactions of Rs. 50 Crores in a financial year	Every 12 months	<p><b><u>Nature:</u></b> Sale, Purchase of goods, materials, equipments etc and rendering / providing / availing services including but not limited to Engineering services, manpower and support services, Software testing &amp; Maintenance services and sharing of costs of certain common facility related services</p> <p><b><u>For Sale / Purchase of Goods, Materials, Equipments etc</u></b> <b><u>On a cost plus mark-up basis:</u></b> The customer shall pay to the supplier all relevant Direct and Indirect costs (Including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties) plus an appropriate mark-up up to 15% determined in adherence to the arm’s length principle. The mark-up shall be determined on a year to year basis.</p> <p><b><u>On Profit Split basis:</u></b> Where the buyer purchase goods, materials, equipment from the Supplier for supplying it to a Third party customer under an independent execution contract (‘Project’), the Customer shall pay to the Supplier all relevant Direct and Indirect costs (including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties) of manufacturing/sales/supply/purchase, plus a proportion of the total profit earned by the Customer under the Project, to be allocated on certain parameters mutually agreed to by both the Parties.</p>	30 <sup>th</sup> January 2014 & 31 <sup>st</sup> January 2015	NIL

			<p><b><u>On Comparable Uncontrolled Prices (CUP) basis:</u></b></p> <p>Where the supplier is selling the product in the market to an unrelated party customer including The contracts with the said Related party shall be in effect and shall Continue unless terminated by either Party with a notice period of Three (3) month Upto Rs. 50 cores in aggregate, in any financial year distributor, the Customer shall pay to the Supplier as per the published distributor price list</p> <p>The contracts with the said related party shall be in effect and shall continue unless Terminated by either Party with a notice period of Three (3) month</p>		
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**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Shareholders  
M/s.Archana Software Limited

I have examined the Compliance of Conditions of Corporate Governance by Archana Software Limited, Chennai, for the year ended 31<sup>st</sup> March 2015, as stipulated in clause 49 of the Listing Agreement entered into by the company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Sd/-

**A.SARAVANAN, B.Com., F.C.A.,**

**Chartered Accountant**

**(M.No. 026101)**

Place: Chennai

Date: 28.08.2015

**Declaration of Code of Conduct**

To

The members of M/s Archana Software Limited

This is to confirm that the board has laid down a code of conduct for all Board members and senior management of the Company. The code of conduct has also been posted on the web site of the Company.

It is further confirmed that all the directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the company for the year ended 31<sup>st</sup> March 2015, as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

Sd/-  
Chikalpat Yogesh Pai  
Whole Time Director

Place: Chennai  
Date: 28.08.2015

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER / WHOLETIME DIRECTOR OF ARCHANA SOFTWARE LIMITED**

I, ChikalPat Yogesh Pai Whole Time Director of M/s Archana Software Limited (the Company), to the best of our knowledge and belief certify that:-

1. I have reviewed the Balance Sheet and Profit and Loss Account and all its Schedules and Notes on Accounts, as well as the Cash Flow Statement and Director's Report.
  - a. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit any material fact or contain statements that might be misleading.
  - b. 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.
2. I also certify, that based on our knowledge and the information provided to me, there are no transactions entered into by M/s Archana Software Limited which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I am responsible for establishing and maintaining internal controls and procedures for the Company pertaining to financial reporting, and have evaluated the effectiveness of these procedures in M/s Archana Software Limited. I have disclosed to the auditors and Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which I am aware and the steps that I have taken or propose to take to rectify these deficiencies.
4. I have disclosed, based on my most recent evaluation, wherever applicable, to the Company's auditors and the Audit Committee of the Company's Board of Directors:-
  - a. Significant changes in internal controls during the year:
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the Notes to the financial statements: and
  - c. Instances, if any, of significant fraud of which I have become aware and the Involvement therein, if any, of the Management or and employee having a significant role in the Company's internal control system.
5. I affirm that I have not denied any personnel, access to the Audit Committee of Company (in respect of matters involving misconduct, if any)
6. I further declare that all the Board members and Senior Management have affirmed compliance with Code of Conduct for the current year.

Sd/-

Chikalpat Yogesh Pai  
Whole Time Director

Place: Chennai

Date: 28.08.2015

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OUTLOOK

#### OVERVIEW:

In Financial year 2014-15, We were seeing a continuing trend of global businesses turning to offshore technology service providers to meet their need for variabilization of their cost structures, enhanced cost competitiveness and to increase their efficiency through differentiated solutions. Over the past two decades, India has risen to become leading destination for global sourcing of IT,ITES,BPO and research and development activities. The changing market dynamic requires that we design our organization for Growth. Technology is the core of our IT Services business.

#### GLOBAL MARKET

The world has learnt its lessons from recession and is actively taking steps to sustain India's advantage and make India's IT industry more resilient to global economic conditions. This optimism is being reflected in all parts of the world.

The cloud as a delivery model is also here to stay, and Indian IT service providers will need to adapt themselves in this new world order. From a growth perspective, the future is still bright and has been impacted by the after effects of recession, witnessed by everyone.

The US and Europe remain the biggest markets for outsourcing software related activities. Majority of the works from this market is being outsourced to destinations in the Asia Pacific region and East Europe.

#### INDIAN MARKET

- In national level,IT service is the fastest growing segment in the Indian domestic market, growing year- to-year , driven by increasing focus by service providers.
  - Considerable traction in traditional segments – custom application development, application management, IS outsourcing and software testing.
  - Industry re- tooling itself to adjust to rapid change in customer priorities- from Service Level Agreements (SLAs) to increased time -to- market
  - Emerging technologies – cloud computing, mobility, social media and big data/analytics unleashing new opportunities for the industry.
  - ERP software needs are increasing trend both in Indian and Global market . At present medium size organization's also installing the ERP. Previously ERP was installed in big and large organization only.
- ERP software industry continues to dominate the global market place with very huge market share.

Indian Server Message Blocks (SMBs) are undergoing rapid transformation and are looking for greater flexibility to meet market changes. The need to grow revenues and reach their full potential in the shortest possible time span is going to increase their dependence on technology and managed IT services will play a key role.

The industry is expected to generate an increasing share of revenues from the untapped SMB segment through improved pay per use business models and platform solutions. It is also expected to acquire domain expertise and near shoring capabilities to further advance India's value proposition as a global outsourcing hub.

## **BUSINESS OVERVIEW**

The global economy continues to be poised in a delicate balance. While there continues to be concerns around Europe and deceleration in GDP growth of emerging markets, US is showing signs of improvement. Against this backdrop of mixed macro- economic signals, corporate are increasingly leveraging new technologies to become more agile and also achieve business results. Global corporations are increasingly investing in informational technology initiatives to improve their competitiveness. We continue to see customers viewing technology as a key enabler to drive their growth strategies.

Service providers are expected to enhance focus to domestic market to de-risk business and tap into the local growth opportunities.

Your Company has rightly identified the ERP software segment as the focus area. There has been a huge demand for ERP for Small & Medium Enterprises (SME) segment which your company will address in a very substantial manner. The growing demand for ERP solutions in SME is evidenced by the entry of bigger players viz. SAP, Oracle, Microsoft etc. into this area. The company would also continue to exploit various software modules which it has developed and developing, including inventory management, textile design and planning, hotel management, hospital management, etc.

A significant proportion of all Indian businesses fall under the small and medium enterprise segment. So, a broad-based, sustainable growth in the Indian economy can emerge only if the country's SMB enterprises record a healthy growth as they attempt to improve productivity, adopt best practices and bring innovative products to market. Again Indian SMBs are undergoing rapid transformation and are looking for greater flexibility to meet market changes. The need to grow revenues and reach their full potential in the shortest possible time span is going to increase their dependence on technology and managed IT services. The survey shows that currently only 6% SMBs are using managed services, but the adoption is likely to double if plans are widely implemented.

## **BUSINESS MODEL**

The future of the Indian ERP Software Industry looks very positive and we expect excellent opportunities in this field.

Your Company is developing the software in the following areas:

- Accounting with Inventory Management
- Hotel Management
- Pay Roll Management

A brief overview of the business model of your Company in the above divisions is as under :

### **ACCOUNTING WITH INVENTORY MANAGEMENT:**

Your Company shall focus in its inherent creative capabilities to build excellent quality ERP software for the Domestic Market. The horizons of the Indian ERP Software sector space is fast expanding and the use of Hi-end technology has brought new synergies to overall businesses perspective in the software arena.

Now a days ERP Software for accounting with inventory management are helpful because by making a single entry, both records for accounting and inventory are updated simultaneously. Thereby it's becoming more popular among retail and medium scale business peoples as it serves as the effective tools for cost control and cost reduction.

Your Company has identified the potential of the domestic market and intends to target the retail and medium scale business organization by explaining the features of the software. Your company intends to use this huge demand.

**HOTEL MANAGEMENT:**

In the service sector, your Company shall be developing high quality content for International Clients. India becoming one of most tourists' spots in the world and many Foreigners are visiting India as tourist for knowing the different cultures, for visiting the heritage places in India and for taking better medical treatment considering cost and quality thereof. Hotel Industry in India is grasping this good opportunities and expanding their existing facilities including increasing the number of rooms and identifying and building the new construction with international standard. Your company has identified this and developing the software for hotel management in the area of billing, room booking, cancellation and various report for management purposes.

**PAY ROLL MANAGEMENT:**

India is identified by the world as good place for commencing the new business considering availability of man power at low cost and other available resources in India. Further, Indian Government opens the market for FDI and FII for developing the infrastructures facilities in India. They are commencing their business activities by forming either subsidiary Indian company and employing various Indian contractors for executing the work. In India, Various labour laws have to be complied with while employing the Labourers in India. In order to complying the said laws and considering the number of labourers employed in the various industry, it require to maintain the details of employees and labourers with their statutory and other deduction they need pay roll management.

In the Pay Roll Management arena, your Company would be focusing on development of ERP software for fulfilling their needs and other statutory compliances in India for labourers and employees.

Archana Software Knowledge center will provide training in the field of ERP software programming and development thereof. Archana with its creative pool of talent shall impart production-oriented training with the blend of the latest technology.

NASSCOM report mention that ERP industry will continue to be a net hirer; direct employment strength is increasing in upward trend. However it also mentions that the number of professionals joining the industry will be lower than this figure. This scenario, they feel will be due to many factors such as lack of proper training institutes, lack of proper trainers , awareness about the industry, accredited courses etc.

The inherent characteristic of this industry is the lack of skilled talent. Archana intends to bridge its resource gap by imparting high quality education in this field.

**OPERATIONS OVERVIEW:**

The revenue of the company for the FY 2014-15 was increased to Rs.549.10 lacs from Rs.547.35 lacs in FY 2013-14 and PAT of Rs.(0.46) vs. Rs.2.01 over previous year.

***THREATS, RISKS & CONCERNS***

- **Competition**

As the industry is poised for exponential growth, a lot of Companies are entering this arena and the cost efficient competitors are increasing. Also in the global scenario, there is a huge advent of software companies in China, Korea, Philippines and Singapore. These Countries also have a huge cost advantage like India. Over and above that, the Government in such countries is actively supporting the growth of the Software Industry. However, due to global economic meltdown, companies may reduce or postpone their technology spending. Reduction in spending may result in lower demand and negatively affect our revenues and profitability.

For the past several years, India has achieved healthy economic growth rates. The growth has been contributed by robust service sector performance as well as strong manufacturing output. India is being viewed as a key market among the emerging economies. Several multinational IT companies and Indian IT services companies are focusing on the Indian markets. This could affect our growth and profitability.

- **Scarcity of Human Capital**

This is an inherent problem with this industry. The skill required here has to be combination of creativity and synergizing of technology to bring the best results. There are very few training centers providing training which cater to the needs of the Industry. Also there is a lack of any organized channel of education and awareness as relating to the potential of this industry.

- **Capital Intensive and technology obsolescence**

This Industry is very capital intensive and typically requires high-end systems and storage equipment and proper infrastructure planning. Also the methods, softwares used in this field are dynamically changing and the advent of new technology, techniques and upgrades seem to be very fast. It poses a continuing challenge to companies in this Industry to adapt to newer technologies and also for the personnel to get trained and use these effectively.

**INTERNAL CONTROL SYSTEMS:**

The Company has an adequate systems and internal controls to safeguard the assets of the company; and to ensure maintenance of proper accounting records. Audit Committee periodically reviews the functioning of the entire system.

**FINANCIAL PERFORMANCE:**

During the year under review, the company has earned profit of Rs.2.42 lacs for the year ended 31<sup>st</sup> March 2015.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

The Company makes efforts to ensure that employees are provided with a congenial work atmosphere. Facilities are equipped with state –of-the-art hardware, software and communication equipment apart from periodic recreational facilities to motivate the team. Continuously improving the quality of people through training in skill development as well as personality development. Management places great emphasis on continuously improving the work environment and ambience to nurture innovation and creativity.

**On behalf of the board**  
**For ARCHANA SOFTWARE LIMITED**

Sd/-  
**Chikalpat Yogesh Pai**  
Whole Time Director

Place : Chennai

Date : 28.08.2015

## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of M/s. Archana Software Limited  
Chennai

### **Report on the financial Statements**

I have audited the accompanying financial statements of **M/s. Archana Software Limited** (“the Company”), which comprise the Balance Sheet as at March 31, 2015, 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.

### **Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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**

My responsibility is to express an opinion on these financial statements based on our audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

I conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:

(a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.

(b) In my opinion proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;

(c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

Sd/-

**A.Saravanan, B.com., F.C.A.,**  
Chartered Accountant (M.No. 026101)

Place: Chennai

Date: 28.08.2015

**Annexure to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets at reasonable intervals. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(ii) (a) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In my opinion and according to the information and explanations given to me, 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) In my opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

(iii) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii(a) and iii (b) of the order are not applicable to the Company.

(iv) In my opinion and according to the information and explanations given to me, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

(v) The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.

(vi) The provision of sub section 1 of section 148 of the companies Act, 2013 regarding maintenance of cost records is not applicable to the company.

(vii) According to the information and explanations given to me, there is no amounts payable in respect of income tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.

(viii) The Company has accumulated losses to the extent of Rs.6,48,26,117/- at the year end. The company had incurred no cash loss during the current and preceding financial year.

(ix) Based on my audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank.

(x) According to the information and explanations given to me, the Company has not given guarantee for loans taken by others from bank or financial institutions.

(xi) According to the information and explanations given to me, the company has applied term loan for the purpose to which it was raised.

(xii) Based on the audit procedures performed and the information and explanations given to me, i report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Sd/-

A.SARAVANAN, B.COM., F.C.A.,  
Chartered Accountant (M.No: 026101)

Place: Chennai  
Date: 28.08.2015.

<b>ARCHANA SOFTWARE LIMITED</b>																		
<b>BALANCE SHEET AS AT 31ST MARCH 2015</b>																		
<b>Particulars</b>	<b>Note No</b>	<b>As at 31 March, 2015</b>	<b>As at 31 March, 2014</b>															
		<b>Amount(Rs.)</b>	<b>Amount(Rs.)</b>															
<b>A EQUITY AND LIABILITIES</b>																		
<b>1 Shareholders' funds</b>																		
(a) Share capital	1	60,439,500	60,439,500															
(b) Reserves and surplus	2	-34,136,616	-34,379,059															
<b>2 Non-current liabilities</b>																		
(b) Deferred tax liabilities (net)	3	3,413,957	3,702,224															
<b>3 Current liabilities</b>																		
(b) Trade payables	4	1,065,985	75,803,146															
(c) Other current liabilities	5	41,397	21,471,272															
<b>TOTAL</b>		<b>30,824,223</b>	<b>127,037,083</b>															
<b>B ASSETS</b>																		
<b>1 Non-current assets</b>																		
(a) Fixed assets																		
(i) Tangible assets	6	90,459	1,113,848															
(b) Non-current investments	7	4,000	4,000															
<b>2 Current assets</b>																		
(b) Inventories	8	8,855,321	9,058,815															
(c) Trade receivables	9	13,533,723	87,213,012															
(d) Cash and cash equivalents	10	287,885	144,573															
(e) Short-term loans and advances	11	8,052,834	29,502,834															
<b>TOTAL</b>		<b>30,824,223</b>	<b>127,037,083</b>															
<table style="width: 100%; border: none;"> <tr> <td style="width: 35%; vertical-align: top;"> <p>Sd/- <b>A.SARAVANAN</b> Chartered Accountant M.No: 026101</p> </td> <td style="width: 65%; text-align: center; vertical-align: top;"> <p><b>For and on behalf of the Board of Directors</b></p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> </tr> <tr> <td style="text-align: center;"><b>Chikalpat Yogesh Pai</b></td> <td style="text-align: center;"><b>S.Vasanth Kumar</b></td> <td style="text-align: center;"><b>S.Sonaachalam.</b></td> </tr> <tr> <td style="text-align: center;">Whole Time Director</td> <td style="text-align: center;">Director</td> <td style="text-align: center;">Director</td> </tr> </table> </td> </tr> <tr> <td colspan="4" style="padding-top: 10px;"> <p>Place : Chennai Date :28.08.2015</p> </td> </tr> </table>				<p>Sd/- <b>A.SARAVANAN</b> Chartered Accountant M.No: 026101</p>	<p><b>For and on behalf of the Board of Directors</b></p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> </tr> <tr> <td style="text-align: center;"><b>Chikalpat Yogesh Pai</b></td> <td style="text-align: center;"><b>S.Vasanth Kumar</b></td> <td style="text-align: center;"><b>S.Sonaachalam.</b></td> </tr> <tr> <td style="text-align: center;">Whole Time Director</td> <td style="text-align: center;">Director</td> <td style="text-align: center;">Director</td> </tr> </table>	Sd/-	Sd/-	Sd/-	<b>Chikalpat Yogesh Pai</b>	<b>S.Vasanth Kumar</b>	<b>S.Sonaachalam.</b>	Whole Time Director	Director	Director	<p>Place : Chennai Date :28.08.2015</p>			
<p>Sd/- <b>A.SARAVANAN</b> Chartered Accountant M.No: 026101</p>	<p><b>For and on behalf of the Board of Directors</b></p> <table style="width: 100%; border: none;"> <tr> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> <td style="text-align: center; width: 33%;">Sd/-</td> </tr> <tr> <td style="text-align: center;"><b>Chikalpat Yogesh Pai</b></td> <td style="text-align: center;"><b>S.Vasanth Kumar</b></td> <td style="text-align: center;"><b>S.Sonaachalam.</b></td> </tr> <tr> <td style="text-align: center;">Whole Time Director</td> <td style="text-align: center;">Director</td> <td style="text-align: center;">Director</td> </tr> </table>	Sd/-	Sd/-	Sd/-	<b>Chikalpat Yogesh Pai</b>	<b>S.Vasanth Kumar</b>	<b>S.Sonaachalam.</b>	Whole Time Director	Director	Director								
Sd/-	Sd/-	Sd/-																
<b>Chikalpat Yogesh Pai</b>	<b>S.Vasanth Kumar</b>	<b>S.Sonaachalam.</b>																
Whole Time Director	Director	Director																
<p>Place : Chennai Date :28.08.2015</p>																		



<b>ARCHANA SOFTWARE LIMITED</b>		
<b><u>NOTES FORMING PART OF FINANCIAL STATEMENTS</u></b>		
<b>Particulars</b>	<b>As on 31.03.15 Rs</b>	<b>As on 31.03.14 Rs</b>
<b><u>Note - 1</u></b>		
<b><u>Authorised Share Capital</u></b>		
70,00,000 Equity Shares of RS.10/- each	<b>70000000</b>	<b>70000000</b>
<b><u>Issued Subscribed and Paid up</u></b>		
60,66,700 Equity Shares of Rs.10/- each	60667000	60667000
6066700 Equity share of Rs.10/-each	60667000	60667000
Less: calls unpaid	227500	227500
	<b>60439500</b>	<b>60439500</b>
<b><u>Note - 2: Reserves and surplus</u></b>		
General Reserves	250000	250000
<b><u>Profit &amp; loss</u></b>		
Profit/(Loss) at the Beginning of the year	(65068559)	(65256424)
Add : Current Year Profits/(Loss)	242442	187865
	<b>(64826117)</b>	<b>(65068559)</b>
<b><u>Other Reserves</u></b>		
Share premium	30667000	30667000
Less: calls unpaid	(227500)	(227500)
	30439500	30439500
<b>Net Reserves and surplus</b>	<b>(34136616)</b>	<b>(34379059)</b>
<b><u>Note - 3: Deferred tax (liability) assets</u></b>		
Deferred Tax	3413957	3702224
Net Deferred tax (liability) assets	<b>3413957</b>	<b>3702224</b>
<b><u>Note - 4 : Trade Payables</u></b>		
Sundry Creditors:	1065985	75803146
	<b>1065985</b>	<b>75803146</b>
<b><u>Note - 5 : Other Current liabilities</u></b>		
Advance Received	0	21450000
Audit Fee - Payable	40000	20000
TDS Payable	1397	1272
<b>Total</b>	<b>41397</b>	<b>21471272</b>

<b>ARCHANA SOFTWARE LIMITED</b>		
<b><u>NOTES FORMING PART OF FINANCIAL STATEMENTS</u></b>		
<b>Particulars</b>	<b>As on 31.03.15 Rs</b>	<b>As on 31.03.14 Rs</b>
<b><u>Note -7 : Investments</u></b>		
Other Non current investment (specif nature)	4000	4000
Investment on share (Zenith Golbal consultant ltd)	<b>4000</b>	<b>4000</b>
<b><u>Note -8 : Inventories</u></b>		
Stock on Hand	8855321	9058815
Good in transit		
	<b>8855321</b>	<b>9058815</b>
<b><u>Note -9 : Trade Receivables</u></b>		
Debts due exceeding Six Months	13533723	87213012
Others		
	<b>13533723</b>	<b>87213012</b>
<b><u>Note -10 : Cash and Cash equivalents</u></b>		
Cash in hand	62236	51236
Cash at Bank - With Scheduled Banks		
In Current account	225649	93337
	<b>287885</b>	<b>144573</b>
<b><u>Note - 11 : Short Term Loans and Advances</u></b>		
Security deposits : considered good	210000	210000
Balances with government authorities		
Vat credit receivable	11496	11496
Sree Pooranai Knitters Private Limited	5500000	5500000
Other secured:considered goods advance to others	(15521890)	5928110
Advance to premises	1419508	1419508
K.R.C. Housing and infrastructure company	16368000	16368000
EMD	65720	65720
	<b>8052834</b>	<b>29502834</b>

**ARCHANA SOFTWARE LIMITED****NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	For the year ended 31.03.15 Rs	For the year ended 31.03.14 Rs
<b><u>Note - 12 : Revenue from operations:</u></b>		
Sale of Fabric	54,910,216	53,704,417
Sale of Yarn		1,030,987
<b>Total</b>	<b>54,910,216</b>	<b>54,735,404</b>
<b><u>Note - 13: Cost of Materials consumed</u></b>		
Opening stock of Rawmaterials	9,058,815	9,058,815
ADD: Purchases during the year	51,340,347	54,052,767
LESS: Closing stock	8,855,321	9,058,815
Raw Material Consumed	<b>51,543,841</b>	<b>54,052,767</b>
Material consumed comprises		
Fabric purchase	51,340,347	53,081,866
Yarn purchase		960,901
Direct Expenses - certificate charges		10,000
	<b>51,340,347</b>	<b>54,052,767</b>
<b><u>Note - 14: Other Expenses</u></b>		
Certification Charges	8,750	
Advertisement Charges	1250	29959
Annual custody fees	41,303	41,968
Annual listing fees	780,725	
Audit Fee & Expenses	24,200	20,000
Bank charges	160	450
E-TDS Filing Charges	101	
Office Expenses	5,020	16,061
Printing & Stationery	459	
Salary	435,606	90,000
Service charges	128,009	67,543
Professional charges	391,894	58,062
Rent	24,000	
ROC Filing Charges	7,800	7,646
Settlement Charges	522,750	
Telephone & Mobile Charges	1,180	
Travelling & Local Conveyance expenses	15,603	3,330
	<b>2,388,810</b>	<b>335,019</b>

## ARCHANA SOFTWARE LIMITED

### DEPRECIATION AS PER COMPANIES ACT.FOR THE YEAR 2014-15

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	AS AT 31.03.14	ADDITIONS	DELETIONS	AS AT 31.03.15	UPTO 31.03.14	CURRENT YEAR	ADJUSTMENT	AS AT 31.03.15	AS AT 31.03.15
Office Equipments	802,107.00	0.00	0.00	802,107.00	166,337.43	595,664.22	0.00	762,001.65	40,105.35
Furniture & Fittings	615,082.00	0.00	0.00	615,082.00	253,982.16	330,346.00	0.00	584,328.16	30,753.84
Air Conditioner	85,000.00	0.00	0.00	85,000.00	27,222.72	49,489.70	0.00	76,712.42	8,287.58
Computer	993,016.00	0.00	0.00	993,016.00	993,016.00	0.00	0.00	993,016.00	0.00
Electrical & Fittings	99,839.00	0.00	0.00	99,839.00	40,637.26	47,889.99	0.00	88,527.25	11,311.75
<b>TOTAL</b>	<b>2,595,044.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,595,044.00</b>	<b>1,481,195.57</b>	<b>1,023,389.91</b>	<b>0.00</b>	<b>2,504,585.47</b>	<b>90,458.53</b>

## ARCHANA SOFTWARE LIMITED

### Depreciation Schedule as per IT Act for the FY 2014-15

Description	Rate	As ON 01.04.14	Additions		Total Additions	Deletions	Balance as on 31.03.2015	Current Depreciation	Balance as on 31.03.2015
			> 180 days	< 180 days					
Furniture & Fittings	10%	788,774	-	-	-	-	788,774	78,877	709,896
Office Equipments	15%	43,647	-	-	-	-	43,647	6,547	37,100
Air Conditioner	15%	27,248	-	-	-	-	27,248	4,087	23,161
Computer	60%	1,627	-	-	-	-	1,627	976	651
<b>Total</b>		<b>861,296</b>	-	-	-	-	<b>861,296</b>	<b>90,488</b>	<b>770,808</b>

## SCHEDULE 'G'

### A. Significant Accounting Policies:

#### 1. Basis of Preparation of financial statements

a) The financial statements have been prepared under the historical cost convention in accordance with generally accepted Accounting Principles and the provisions of the Companies Act, 1956.

b) Accounting policies not specifically referred to otherwise are consistent throughout the year under audit and in consonance with generally accepted Accounting Principles followed by the company.

#### 2. Fixed Assets:

Fixed Assets are stated at cost less depreciation. Cost comprises of purchase price, import duties, levies and any directly attributable cost of bringing the assets to its working condition for its intended use.

Depreciation is provided as per Companies Act 2013

#### 3. Revenue Recognition:

All Income and Expenditure items having a material bearing on the statements are recognized on accrual basis.

#### 4. Income From operation:

Income From operation consists of the ERP Software product sold and transactions in textile products.

#### 5. Related Party Disclosures:

Particulars of transactions with related parties during the year

##### Purchase of Goods

From Shakthi Knitting Limited      Rs.2,98,19,111

##### Sale of Goods

To Shakthi Knitting Limited      Rs.2,47,92,917

#### 6. Segment information for the year ended 31<sup>st</sup> March, 2015

As the company's business is only Software segment and no other segment is there which requires reporting.

**7. Earning Per Share**

	<b>2014 - 15</b>	<b>2013 - 14</b>
a. Weighted averages number of Equity Shares of Rs.10/- each		
i. number of shares at the beginning of the year	60,43,950	60,43,950
ii. number of share at the end of the year	60,43,950	60,43,950
Weighted average number of equity Share outstanding during the year	61,43,425	61,43,425
a. Net Profit/(Loss) available for equity shareholders	2,42,442	1,87,865
b. Basic and diluted earning per share (in Rupees)		
EPS (diluted)	NIL	NIL

**SCHEDULE 'H'****Other Notes on Accounts:**

1. Loans and Advances, Advances received, Sundry Debtors and Sundry Creditors shown in the Balance sheet are subject to confirmation.

2. In the opinion of the Board of Directors, Current Assets and Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount of which they are stated.

3. Payment to auditors

	31.03.2015	31.03.2014
	(Rs.)	(Rs.)
Audit Fees	20,000	20,000
Taxation Work	-	-
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>

4. For the year-ended 31.03.2015, no provision for contingent liability has been provided for.

5. No Provision for Taxation has been made in view of the carried forward losses available for set off.

6. Figures of the previous year have been regrouped wherever necessary to conform to the classification of the current year.

7. All the figures in the financial statements are rounded off to the nearest rupee.

8. The significant Accounting Policies numbering from G(1) to G(7) and other notes on Accounts numbering from H(1) to H(8) above form an integral part of the accounts.

**For ARCHANA SOFTWARE LIMITED**

Place: Chennai	Sd/- <b>Chikalpat Yogesh Pai</b> Whole Time Director	Sd/- <b>S.Vasanth Kumar</b> Director	Sd/- <b>S.Sonaachalam.</b> Director
Date: 28.08.2015.			

## ARCHANA SOFTWARE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2015

Particulars	31.03.2015 Rs.	31.03.2014 Rs.
<b>A. Cash Flow from Operation Activities</b>		
Net Profit before tax and extraordinary items	-45,825	201,796
Adjustments for:		
Depreciation	1,023,390	147,676
Foreign Exchange		
Investment		
Interest/Dividend		
Operating profit before working chapital changes		
Operating Profit before working capital charges	<b>977,565</b>	<b>349,472</b>
Adjustments for:		
Trade and other receivable	73,679,289	-40,333,562
Inventories	203,494	
Trade payable	-96,167,036	39,396,657
Loans & advances	21,450,000	0
Cash generated from operations	143,312	-587,433
Interest paid	0	0
Direct taxes paid	0	0
Cash flow before extraordinary item	143,312	-587,433
Extraordinary item (Net)		
<b>Net Cash from operating activities</b>	<b>143,312</b>	<b>-587,433</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	0	0
Sales of Fixed Assets	0	0
Acquisition of companies (as per annexure)	0	0
Purchase of Investments	0	0
Interest Received	0	0
Dividend Received	0	0
<b>Net Cash used in Investing Activities</b>	<b>0</b>	<b>0</b>
<b>C. Cash flow from Finance Activities</b>		
Proceeds from issue of share capital	0	0
Proceeds from long term borrowings	0	0
Repayment of finance lease liabilities	0	0
Dividend paid	0	0
<b>Net Cash used in Finance Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash &amp; cash equipment [A+B+C]</b>	143,312	-587,433
<b>Cash and cash equivalent as at (Opening balance)</b>	144,573	732,006
<b>Cash and cash equivalent as at (Closing balance)</b>	287,884	144,573

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT,  
1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE.**

**I. Registration**

**State Code**

**Balance Sheet Date**

2 | 9 | 2 | 2 | 6

1 | 8

3 | 1 | 0 | 3

2 | 0 | 1 | 5

**II. Capital Raised during the year [Amount in Rs. Thousands]**

**Public Issue**

| | N | I | L | |

**Right Issue**

| | N | I | L | |

**Bonus Issue**

| | N | I | L | |

**Private Placement**

| | N | I | L | |

**III. Position of Mobilisation and deployment of Funds [Amount in Rs. Thousands]**

**Total Liabilities**

| | 3 | 0 | 8 | 2 | 4

**Total Assets**

| | 3 | 0 | 8 | 2 | 4

**Source of Funds**

**Paid up Capital**

| | 6 | 0 | 4 | 3 | 9

**Reserves & Surplus**

| - | 3 | 4 | 1 | 3 | 6

**Secured Loans**

| | N | I | L | |

**Unsecured Loans**

| | N | I | L | |

**Application of Funds**

**Net Fixed Assets**

\_\_\_\_\_ 9 1

**Net Current Assets**

\_\_\_\_\_ 2 9 6 2 2

**Accumulated Losses**

\_\_\_\_\_

**Investments**

\_\_\_\_\_ 4

**Misc. Expenditure**

\_\_\_\_\_ N I L

**IV. Performance of the company [ Amount in Rs. Thousands]**

**Turnover**

\_\_\_\_\_ 5 4 9 1 0

**Profit /Loss before tax**

\_\_\_\_\_ - 4 5

**Earning Per Share in Rs.**

\_\_\_\_\_ N I L

**Total Expenditure**

\_\_\_\_\_ 5 4 9 5 6

**Profit After Tax**

\_\_\_\_\_ 2 4 2

**Dividend Rate %**

\_\_\_\_\_ N I L

**V. Generic Names of Principle Products / Services of the company as per monetary terms Item Code No. [ITC Code] N.A Product Description SOFTWARE DEVELOPMENT**

**For ARCHANA SOFTWARE LIMITED**

Sd/-

**Chikalpat Yogesh Pai**  
Whole Time Director

Sd/-

**S.Vasanth Kumar**  
Director

Sd/-

**S.Sonaachalam.**  
Director

**CHENNAI,**

**28.08.2015.**

FORM MGT-11

**PROXY FORM**

(Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

**ARCHANA SOFTWARE LIMITED**

CIN:L65191TN1994PLC029226 Regd. Office: Land Marvel Nest, 1<sup>st</sup> Floor, No.3, 1<sup>st</sup> Main road, Indira Nagar, Adyar, Chennai – 600020 Phone No. +91-44 6455 5955, Fax: +91-44 2440 5166 website: www.archanasoftware.com, email id : archanasoftware@gmail.com

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>Email Id</b>	
<b>Folio Id / Client Id</b>	
<b>DP Id</b>	
<b>No. of Shares held</b>	

I/We, being a Member (s) Members of ..... shares of the above named Company, hereby appoint

1	Name	
	Address	
	Email Id	
	Signature	

Or failing him

2	Name	
	Address	
	Email Id	
	Signature	

Or failing him

3	Name	
	Address	
	Email Id	
	Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 21st Annual General Meeting of the Company to be held on 29th September 2015 at 10.00 am at N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-600 042and at any adjournment thereof in respect of such resolutions indicated below

1. Adoption of Financial Statements and Report of Board of Directors and Auditors thereon, for financial year ended March 31, 2015 - Ordinary Resolution.
2. Re-Appointment of Mr.ChikalPat Yogesh Pai who retire by rotation and offered himself for reappointment- Ordinary Resolution
3. Appointment of Mr.A. Saravanan, Chartered Accountant (Membership No:026101) as Auditors of the Company and to Fix their remuneration - Ordinary Resolution
4. Appointment of Mr.ChikalPat Yogesh Pai as the Whole Time Director for a period of 3 (Three) Years – Special Resolution

Signed \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_ 2015

Signature of the Shareholder

Signature of Proxyholder(s)

Note: The proxy form duly completed must be deposited at the Registered Office of the Company addressed to Secretarial Department, M/s. Archana Software Limited, Land Marvel Nest, 1<sup>st</sup> Floor, No.3, 1<sup>st</sup> Main road, Indira Nagar, Adyar, Chennai – 600020 Not less than 48 Hrs. before the time for holding the meeting. A proxy need not be Member.

FORM NO. MGT-12  
**POLLING PAPER**

*[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]*

**ARCHANA SOFTWARE LIMITED**  
 CIN:L65191TN1994PLC029226  
 Regd. Office: Land Marvel Nest, 1<sup>st</sup> Floor, No.3, 1<sup>st</sup> Main road,  
 Indira Nagar, Adyar, Chennai – 600020

**BALLOT PAPER**

<b>Sl No</b>	<b>Particulars</b>	<b>Details</b>
1	Name of the First Named Shareholder (in block letters)	
2	Postal Address	
3	Registered Folio No/Client ID)	
4	Class of Share	

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

<b>Sl. No</b>	<b>Resolution Number</b>	<b>No of Shares held by me</b>	<b>I assent to the Resolution</b>	<b>I dissent to the Resolution</b>
1	1			
2	2			
3	3			
4	4			

Place :

Date :

Signature.....

**ARCHANA SOFTWARE LIMITED**  
 CIN:L65191TN1994PLC029226  
 Regd. Office: Land Marvel Nest, 1<sup>st</sup> Floor, No.3, 1<sup>st</sup> Main road,  
 Indira Nagar, Adyar, Chennai – 600020

ATTENDANCE SLIP

To handover at the entrance of the Meeting Hall

DP ID – CLIENT ID/ FOLIO NO.	
NAME & ADDRESS OF SOLE MEMBER	
NAME OF JOINT HOLDERS	
NO OF SHARES HELD	

I hereby certify that I am a Member / Proxy for the member of the Company.

I, hereby record my presence at the 21st Annual General Meeting of the Company on 29th September 2015 at 10.00 am at N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-600 042.

\_\_\_\_\_  
Member's / Proxy Signature

Note: Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.

.....Cut Here.....

**ELECTRONIC VOTING PARTICULARS**

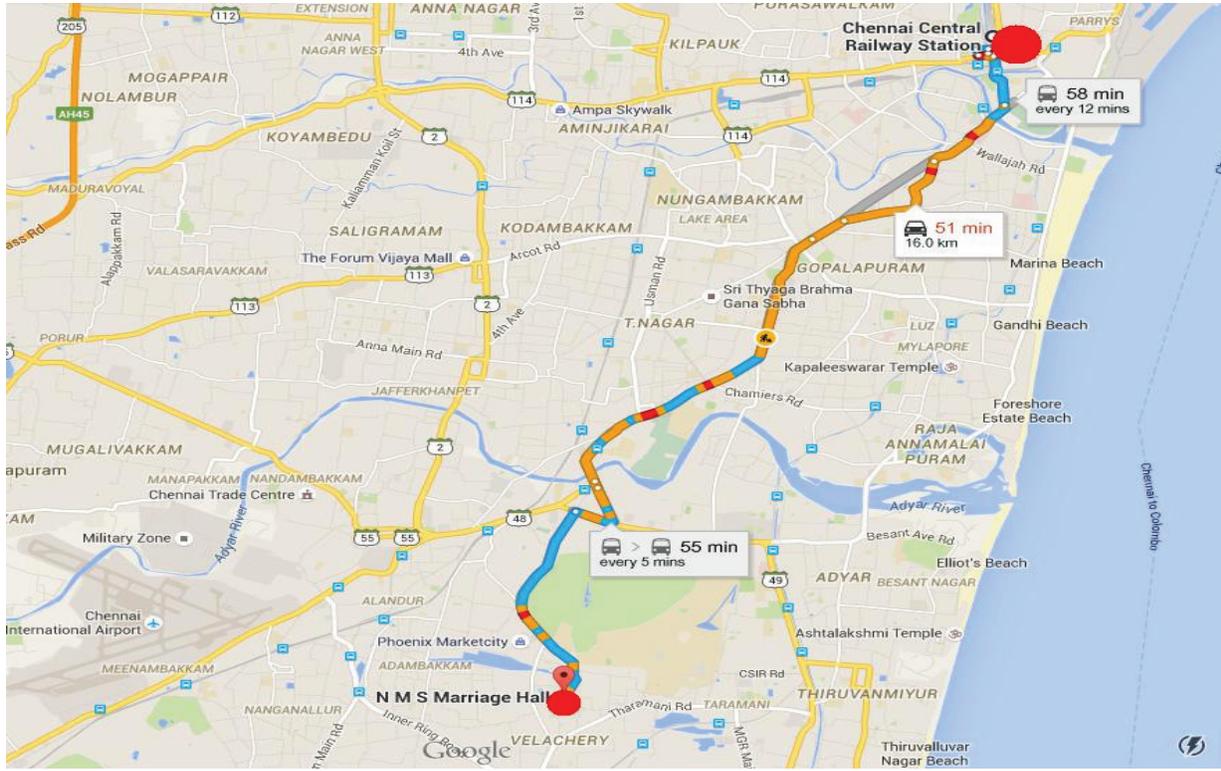
EVSN ( Electronic Voting Sequence Number	User ID	PAN / Seq. No

Note: Please read the complete instructions given under the Note ( the instructions for shareholders voting electronically) to the Notice of Annual General Meeting.

The e-Voting time starts from September 26, 2015 at 10.00 A.M and ends on September 28, 2015 at 5.00 P.M. The voting module shall be disabled by CDSL for voting thereafter.

### Route MAP of AGM Venue

Chennai Central to N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-42.



### Velachery to M.S.Marriage Hall

