

SEVENTEENTH ANNUAL REPORT

2010 - 2011

**ARCHANA SOFTWARE LIMITED
REGD. & ADMN. OFFICE:
LAND MARVELL NEST F1, 3RD FLOOR,
INDIRA NAGAR , ADYAR,
CHENNAI - 600 020.**

ARCHANA SOFTWARE LIMITED

Boards of Directors

M.B.Sekar
Director

S.Ravi Shankar
Director

S. Sonaachalam
Director –Operation-

Chikalpat Yogesh Pai
Director

Auditors

M/s. Baskaran & Co
Chartered Accountants
12, Avenue Road,
Rathinam Complex, II Floor,
Nungambakkam,
Chennai-600 034.

Bankers

Tamilnadu Mercantile Bank Ltd.
Kamaraj Road
Tirupur

HDFC Bank Ltd
I.T.C Centre
Anna Salai,
Chennai.

Registered Office

No. Land Marvall Nest, Fl, 3 Ist Main Road,
Indra Nagar, Adayar, Chennai - 600 020.

ARCHANA SOFTWARE LIMITED

NOTICE

Notice is hereby given that the Seventeenth Annual General Meetings of the Company will be held on Thursday, 29th September 2011 at 10.00 a.m. at N.M.S.Marriage Hall, 61F Main Road, Velachery, Chennai-600 042 for transacting the following business: -

ORDINARY BUSINESS

- i. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2011 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report thereon.
- ii. To appoint a director in the place of Mr. M.B. Sekar, who retires by rotation and be eligible offers himself for reappointment.
- iii. To appoint Auditors and to authorize the Board to fix their remuneration.

By Order of the Board

PLACE: CHENNAI
DATE: 03.08.2011.

Sd/-
S. SONAACHALAM.
DIRECTOR

ARCHANA SOFTWARE LIMITED

NOTES

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend on a poll to vote instead of himself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed, should be deposited at the Register office of the commencement of the meeting.
2. The Register of the Members and Share Transfer Register of the company will remain closed from the 26th September 2011 to 29th September 2011 (both days inclusive).
3. Members are requested to notify change in address, if any, to the Company's Secretarial Department at Land Marvall Nest, FI, 3 Ist Main Road, Indra Nagar, Adayar, Chennai - 600 020, quoting the folio members.
4. Members/ proxy holders are requested to produce at the entrance, the attached admission slip for admission to the meeting hall.
5. In the case of joint holders if more than one holder intends to attend the meeting, they must obtain additional admission slips on the request form the Registered Office of the Company on or before 16th September 2011.

By Order of the Board

PLACE: CHENNAI
DATE : 03.08.2011.

Sd/-
S. SONNACHAACHALAM
DIRECTOR

ARCHANA SOFTWARE LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Sixteenth Annual Report on the working of the Company along with the audited Balance Sheet and Profit Loss Account for the year ended 31st March 2011.

FINANCIAL RESULTS

	Rs. In Lacs 2010 - 11	Rs. In Lacs 2009 - 10
Software Income	316.82	38.20
Profit/ (Loss) before tax	47.54	9.74
Profit/ (Loss) after tax	47.54	9.74
Balance carried to Balance Sheet	(709.33)	(756.88)

DIVIDEND

No dividend has been recommended for the year.

OPERATIONS

The Company is making all out efforts to market the various software products developed by it – software in the areas of designing and planning in Textile industry, Inventory Management, Hotel Management, Payroll Management etc., and also the company recently launched the e-commerce website called www.theflamingo.co.in for trading in all type goods through web. The company's turnover had increased from Rs.38.20 lacs in the previous year to Rs.316.82 lacs in the current year. The software product marketed by the company had good response during the the year, hence there is good growth in the turnover of the company during the year. However, your directors are confident of registering substantial increase in turnover and profits in the coming years.

FUTURE PLAN

The company would further push its marketing efforts for the sale of various software programmes it has developed. And would soon restart its dot com operation, which was core strength of the company in the past. Since the company had good customers in textile business, now launching a textile product trading dot.com portal, the domain is already finalized, it will launching the portal shortly, which will give additional revenue to the company and good margins.

The Company has approached the Bombay Stock Exchange for the revocation of suspension in the trading of its scrip. Your directors are very confident of getting the suspension revoked in the next few months time.

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Information Pursuant to Section 217(1) (E) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

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.2,00,000/- per month or Rs.24,00,000/- 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.
- iii. 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 M/s. Baskaran & Co, Chartered Accountants, Chennai, Statutory Auditors of the Company regarding compliance of conditions of corporate governance stipulated by the stock exchanges is annexed to this report.

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.

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AUDIT COMMITTEE

Your company has complied with the provisions of Section 292A of the Companies Act, 1956 as to constitution of Audit Committee with Mr. M.B. Sekar and Mr. S. Sonnaachalam are being members of the said committee. Mr. S. Ravishankar is the Chairman of the committee. The committee met seven times during the year.

PUBLIC DEPOSIT

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

LISTING

The Shares of your company are presently listed in the Madras Stock Exchange and Bombay Stock Exchange (BSE). However, trading of company's scrip is suspended at BSE for the time being due to non-compliance with some of the procedural requirements. The company has since filed the necessary documents with BSE and it is hopeful of revocation of suspension very shortly.

DIRECTORS

a. Re-appointment:

Mr. M.B. Sekar, Director of the Company retires by the rotation at this Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

M/s. R. Baskarain & Co, Chartered Accountants, Chennai, is not willing to continue to act as a statutory auditor, therefore in the place of retiring auditor, Board of directors had recommended the appointment of new auditor M/s A. Saravanan, Chartered Accountants in place of retiring auditor and they shall hold the office till the conclusion of next Annual General Meeting. A certificate to the effect that, if appointed, such appointment will be within the limits under Section 224(1B) of the Companies Act, 1956, has been obtained from them.

Regarding auditors qualification on confirmation of balance, effort has been taken to obtain the same, deferred tax assets is only to be created, which is notational hence the same is not considered in the accounts.

ENVIRONMENT COMPLIANCE:

India is the seventh largest country in the world by geographical area. While progress on 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 a 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

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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

PLACE: CHENNAI
DATE : 03.08.2011.

Sd/-
S. SONNAACHAALAM
DIRECTOR

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REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH 2011

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.
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:

As of 31st March 2011, there were 4 Directors on the Board managing the company's business.

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 7 (seven times) on the following dates during the financial year 2010-11

April 30, 2010	August 28, 2010	October 30, 2010	March 16, 2011
July 31, 2010	September 29, 2010	January 31, 2011	

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 31st March 2011 as well as names and categories of the directors on the board, their attendance at Board Meetings held during the financial year 2010-11 and also at the last Annual General Meeting were as follows:

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Name Directors	Category	Membershi p Chairmans hip held in committee s of other companies	No. of Directorships Held	Number of Meeting Attended	Attendance at last AGM
Chikalpat Yogest pai	Independent	-	-	7	YES
M.B. Sekar	Independent	-	-	7	YES
S. Soonachalam	Whole time director			7	Yes
S.Ravi Shankar	Independent	-	-	7	YES

C. Committees of the Board:

The board of directors has consulted 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. Business Development Committee of Directors:

Term of reference:

- 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 31st March 2011 the committee met on the following dates:

April 10, 2010	July 21, 2010	October 16, 2010	January 22, 2011
May 15, 2010	August 12, 2010	November 27, 2010	March 30, 2011
June 25, 2010	September 15, 2010	December 31, 2010	

a) Composition:

Name of the members:

S. Ravi Shankar
M.B. Sekar
Chikalpat Yogesh Pai

2. Audit committee:

Term of reference:

- To provide direction and to oversee the operations of the audit functions in the company.
- To review the adequacy of internal control system and internal audit function with special emphasis on their quality and effectiveness.

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- 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 292A of the companies.
- 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 audit committee of directors had met during the period under review and the meetings were held on

April 30, 2010	May 25, 2010	July 15, 2010	January 07, 2011
June 11, 2010	October 12, 2010	March 05, 2011	

The composition of the Committee as on 31st March 2011 as well as their attendance at the Meetings held during the financial year 2010 – 11 as follows:

Name of members	No. of meetings attended
S.Sonaachalam	6
M.B. Sekar	5
S. Ravi Shankar	6

All the members of the committee have wide exposure and posses sound knowledge in the area of accounts, finance, audit, internal control etc.

All the members were present at the last Annual General Meeting held on 29th September 2009.

3. Shareholders'/Investors Grievance Committee:

a) 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 April 20, 2010, June 10, 2010, October 15, 2010 and February 11, 2011 to review the shareholders'/investors' grievances.

b) Composition and Attendance:

Name of members	No. of Meeting Attended
S.Sonaachalam	2
Chikalpat Yogesh Pai	2
S. Ravishankar	2

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Name, Designation and address of Compliance Officer:

Mr Srinivasan,
Company Secretary,
Archana Software Limited.
No.64, Velachery Main Raod,
Velachery,
Chennai – 600 042.

Status of Investors complaints as on March 31, 2011 are as under:

Complaints as on April 1, 2010 - Nil
Received during the year - 4
Resolved during the year - 4
Pending as on March 31, 2011 - Nil

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

Share transfer lodgments are processed within 20 days and returned except in cases where litigation is involved.

4. Details of General Body Meeting:

Details of Location, date and time of the last three annual general meetings held are as follows:

Year	Location	Date	Time
2007 – 2008	N.M.S. Marriage Hall, No61F, Main Road, Velacherry, Chennai-42	29.09.2008	10.00 AM
2008 – 2009	N.M.S. Marriage Hall, No61F, Main Road, Velacherry, Chennai-42	29.09.2009	10.00 A.M
2009 – 2010	N.M.S. Marriage Hall, No61F, Main Road, Velacherry, Chennai-42	29.09.2010	10.00AM

5. Disclosures:

Related Party Transactions:

There were no transactions of a material nature undertaken by the company with its Promoters, directors, their relatives or the management etc. that may have a potential conflict with the interests of the company at large.

6. Means of Communication:

- Quarterly / half yearly & annual results are communicated through newspaper advertisements and press releases.
- The results are generally published in the News Today and Malai Sudar
- The Management Discussion and Analysis Report for the year 2010-2011 forms part of the Annual Report.

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7. General Shareholder Information

1. **AGM: Date, time and venue** : 29.9.2011, 10.00 AM
N.M.S. Marriage hall,
61f, Main Road,
Vellachery,
Chennai-600 042.

2. **Date of Book Closure** : 26.09.2011 to 29.09.2011 (both days inclusive)

3. **Tentative dates of Board Meetings for considering the results (2011-2012)** : 1st Quarter, last week of July 2011
2nd Quarter, last week of October 2011
3rd Quarter, last week of January 2012
4th Quarter, last week of April 2012

4. **Your Company's Shares are listed in the following stock exchanges**

The Madras Stock Exchange Limited

Exchange Building,
P.B. No. 183,
11, II Line Beach,
Chennai-600001.

The Stock Exchange, Mumbai

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400001.

5. Registrar and Share Transfer Agents

M/s. Sharex (India) Pvt Ltd,
No.17/B, Dena Bank Building, 2nd Floor,
Hornimam Circle,
Fort,
Mumbai 400001

Phone: +91 22 - 22702485

Fax: +91 22 - 22641349

E-mail: sharexindia@vsnl.com

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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 31st March 2011, out of total 60,66,700 equity shares of the company, 37,04,100 shares representing 61.05% of total shares have been dematerialized. The detailed breakup of shares as on 31st March 2011 is as follows:

Particulars	No. of shares	Percentage
CDSL	338693	5.58
NSDL	3365407	55.47
PHYSICAL	2362600	38.95
TOTAL	6066700	100.00

8. Stock Market Data

Since the trading in the company's share is suspended in BSE stock exchange, the data is not provided.

9. Distribution of shareholding as on 31st March 2011

Total Nominal Value:

Nominal value of each equity share Rs.10 each

Total number of shares:

TYPE OF SHAREHOLDER	NO. OF SHAREHOLDER	NO. OF SHARES	NO. OF SHARES IN DEMAT	% OF HOLDING	% OF HOLDING
INDIVIDUAL	6	252730	-	4.17	4.17
CORPORATE BODIES	1	1032740	-	17.02	17.02
FINANCIAL INSTITUTIONS	1	3300	-	0.05	0.05
CORPORATE BODIES	4	473837	-	7.81	7.81
INDIVIDUAL	8543	2341530	2028123	38.60	38.60
INDIVIDUAL HOLDING	186	1962563	1683977	32.35	32.35
GRAND TOTAL	8741	6066700	3712100	100	100

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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.

S. Sonaachalam
Director,
Land Marvall Nest, FI, 3 Ist Main Road,
Indra Nagar, Adayar, Chennai - 600 020.

ARCHANA SOFTWARE LIMITED

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 31st March 2011, as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

Place: Chennai

Date: 03.08.2011

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

I, **S. Soonachalam** 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 Ltd., 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 Ltd. 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 an 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/-

S. Sonaachalam

WHOLE TIME DIRECTOR

Place: Chennai
Date: 03.08.2011

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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Shareholders
Archana Software Limited

We have examined the Compliance of Conditions of Corporate Governance by **Archana Software Limited**, Chennai, for the year ended 31st March 2011, 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. Our 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 us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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.

**For R Baskaran & Co
Chartered Accountants**

**Sd/-
R.BASKARAN
Partner**

Place: Chennai
Date: 03.08.2011.

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MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OUTLOOK

OVERVIEW:

In Financial year 2010-11, there was a sign of recovery from financial turmoil across the world. Now, the global economy is slowly and gradually recovering from the melt down and showing small green shoots of growth therein.

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. As per NASSCOM, the Indian Software industry grew between 5-7% during the year 2010-11 within the 4-7 percent expansion projected earlier.

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

Indian Software is creating an identity for itself today in the global marketplace. The combined market for Indian ERP software exports in financial year 2010-11 would reach nearly \$ 60 billion. The Indian ERP market is estimated to account for 34% of the domestic IT industry. The growth in the IT service market is estimated to be around 12% in US \$ terms. According to recent NASSCOM figure estimates that India has skilled manpower, all essential ingredients for the growth of ERP Software industry and it estimates that in India, the growth of 13-15% in FY 11 for the export sectors and 15-17% for the Indian Market. Previously, the biggest challenges that the Indian software industry was facing were awareness, skills and manpower development, infrastructure and financial support, which would require industry and government to partner. Now the industry has also enhanced its global workforce, hiring specialized talent in developed markets and building a truly global delivery model.

Further, the year end India Domestic Information and Communication Technology (ICT) Market Top 10 predictions 2010 report by leading ICT market intelligence firm international Data Corporation (IDC) India suggests that important structural changes brought about by the impact of economic slowdown will accelerate a order. This new phase of market growth and development, termed as 'Growth Phase 2.0' is evolving along trends that are quiet different from earlier phase, Growth Phase 1.0(2003-08) and Indian ERP software industry continues to dominate the global market place with 51 percent market share.

As per the findings, the coming years are going to represent a significant shift in terms of business models, service lines, customers and talent structure. There will be increased focus on

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higher end offerings such as system integration, consulting, business intelligence, knowledge services etc.

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

Even as the global economy struggles to recover from an unprecedented economic crisis, India is one of the few countries that are expected to record a healthy growth of 7% for fiscal 2010-11. A significant portion of all Indian business falls under the small and medium enterprise segment. SMBs are expected to emerge as a significant opportunity due to lower IT adoption currently.

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 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.

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
- E commerce website

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.

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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 expected to grow by 4 percent and cross 2.3 million with over 90,000 jobs added in FY09-10. 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.

E commerce website

The company is developing the website, which will be unique website to trade in all type of products on web, with lot of safety and security features.

ARCHANA SOFTWARE LIMITED

OPERATIONS OVERVIEW:

The revenue of the company for the FY 10-11 was increased to Rs.316.82 lacs from Rs.38.20 lacs in FY 10-11 registering growth rate of 729.44% over previous year.

The Company has posted a Profit of Rs. 47.54 Lacs for the year as compared to the previous year of Rs 9.73 lacs and registered the growth of 388%. The profit after taxes and depreciation was amounted to Rs. 47.54 Lacs. There is no provision for taxation attracted considering the brought forward losses of the company.

Reason for increase in net profit of the company was due to recovering of market around the global and also reduction in employee cost , travel, professional charges among other heads in keeping with our goal of reduction in cost.

The Company has approached the Bombay Stock Exchange for the revocation of suspension in the trading of its scrips and the same is in the process, your directors are very confident of getting the suspension revoked in the next few months time.

Company is taking steps to launch their dot com portal, all ground work is going in full swing, it will contribute to a good top line and increase the bottom line many fold.

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. According to the World Economic Outlook Update published by International Monetary Fund in April 2010, GDP of US is estimated to contract by 7.8% in calendar 2011.

For the past several years, India has achieved healthy economic growth rates in the range 7.5-8%. 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. US financial crisis and European crisis will be great threat to IT companies.

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

ARCHANA SOFTWARE LIMITED

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 achieved operating profit of Rs.50.03 lacs for the year ended 31st March 2011. The net profit % on revenues amounts to 15% approximately.

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 M/S.ARCHANA SOFTWARE LIMITED**

Place: Chennai,
Date : 03.08.2011.

Sd/-
S. SONAACHALAM
Director

ARCHANA SOFTWARE LIMITED

AUDITORS REPORT TO THE MEMBERS OF THE ARCHANA SOFTWARE LIMITED

We have audited the attached Balance Sheet of M/S. ARCHANA SOFTWARE LIMITED, as at 31st March 2011 and also the Profit and Loss Account of the company and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes the assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account are required by the law have been kept by the company, so far as appears from our examination of these books.
 - c. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement complies with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - e. As per the information and explanations given to us, none of the directors of the company is disqualified from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and the best of our information and according to the explanations given to us, the Balance Sheet and Profit and Loss Account reads together with notes thereon, **subject to No1 of Schedule 'H' regarding non conformation of balances & note 5 of Schedule H regarding non provision for deferred tax liability**, give information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2011.
 - ii. In the case of Profit and Loss Account, of the profit for the year ended on that date.
 - iii. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

FOR R BASKARAN & Co
Chartered Accountants

Place: Chennai
Date : 03.08.2011.

Sd/-
R. BASKARAN
Partner

ARCHANA SOFTWARE LIMITED

ANNEXURE

As required by Companies (Auditor's Report) order, 2003, and on the basis of such checks, as I consider appropriate, I further state that:

- i. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified by the management once during the period, which is in our opinion, is reasonable having regard to the size of the company and nature of its assets. No material discrepancy was noticed on verification.
- c) In our opinion, the company has not disposed off a substantial part of fixed assets during the year.
- ii. a) There is no inventory except the developed software modules in the compact disc forms.
- b) Since there is no inventory except the developed software modules in the compact disc forms, the procedures of physical verification of inventories followed by the management does not arise.
- c) As there is no inventory except the developed software modules in the compact disc forms, maintaining proper records of inventories does not apply.
- iii. a) The company neither granted nor taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv. There is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. There is no continuing failure to correct major weakness in internal control.
- v. There were no transactions during the year that need to be entered into register in pursuance of section 301 of the Act have been so entered.
- vi. The company has not accepted any deposit from the public during the year.
- vii. In our opinion and according to the information provided to us, the company has adequate internal audit system commensurate with the size and nature of its business.
- viii. We are informed that the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
- ix. The company is regular in depositing undisputed statutory dues including Income Tax, and any other statutory due as with the appropriate authorities and there are no arrears of outstanding statutory dues as at the last day of financial year concerned for a period of more than six months from the date they became payable.
- x. The company's accumulated losses of Rs.7,09,33,892/- at the end of the financial year 31st March 2011 are not less than fifty percent of its net worth and the company has generated a cash profit of Rs.50.02 Lacs during the current financial year.

ARCHANA SOFTWARE LIMITED

- xi. The company has not defaulted in repayment of dues to a financial institution or bank or debentures and other securities.
- xii. The Company has not granted any Loans and Advances on the basis of security by way of pledge of shares debentures and other securities.
- xiii. The company is not in dealings in shares, securities, debentures and other investments.
- xiv. The company has not given any guarantee for loans taken by others from banks or Financial Institutions.
- xv. The company has not taken any term loan from the Banks or Financial Institutions during the year.
- xvi. The fund raised on short-term basis have not been used for long term investment and vice-versa.
- xvii. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.
- xviii. The company has not issued any debentures and the question of creating securities does not arise.
- xix. The company has not made any public issue of share during the year.
- xx. No fraud on or by the company has been noticed or reported during the year.

FOR R BASKARAN & Co
Chartered Accountants

Place: Chennai
Date: 03.08.2011.

Sd/-
R. BASKARAN
Partner

ARCHANA SOFTWARE LIMITED

SCHEDULE 'G'

A. Significant Accounting Policies:

1. Basis of Preparation of financial statements

- 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.
- 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 on a pro-rata basis, from the date the assets have been installed and put to use on a written down value method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956.

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.

5. Related Party Disclosures:

There are no related party transactions as envisaged in Accounting Standard 18 pertaining to Related Party disclosures.

6. Segment information for the year ended 31st March, 2011

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

7. Earning Per Share

	2010 - 11	2009 - 10
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 available for equity shareholders	47,54,399	9,73,777/-
b. Basic and diluted earnings per share (in Rupees) EPS (diluted)	0.77	0.16

ARCHANA SOFTWARE LIMITED

SCHEDULE 'H'

Other Notes on Accounts:

1. Loans and Advances, Advances received 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

	31.03.2011 (Rs.)	31.03.2010 (Rs.)
Audit Fees	10,000	10,000
Taxation Work	10,000	10,000
TOTAL	20,000	20,000

4. For the year-ended 31.03.2010, no provision for contingent liability has been provided for.
5. In view of huge carried forward loss, company has not provided for deferred tax liability for the current year on the difference amount of depreciation between companies act and income tax act.
6. No Provision for Taxation has been made in view of the carried forward losses available for set off.
7. Figures of the previous year have been regrouped wherever necessary to conform to the classification of the current year.
8. All the figures in the financial statements are rounded off to the nearest rupee.
9. 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

Sd/-	Sd/-
S. SONNACHAACHALAM	CHIKALPAT YOGESH PAI
DIRECTOR	DIRECTOR

Place: Chennai
Date: 03.08.2011.

ARCHANA SOFTWARE LIMITED
Land Marvel Nest F1 3rd Floor
Indira Nagar, Adyar
CHENNAI - 600 020.

BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE		31.03.2011		31.03.2010
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHAREHOLDERS FUNDS'					
Share Capital	A		60,439,500		60,439,500
Reserves & Surplus	B		30,689,500		30,689,500
LOAN FUNDS			0		0
DEFERRED TAX LIABILITY(Net)			3,688,293		3,688,293
TOTAL			94,817,293		94,817,293
APPLICATION OF FUNDS					
FIXED ASSETS:	D				
Gross Block		2,595,044		1,918,049	
Less: Depreciation		836,799		588,439	
Net Blcok			1,758,245		1,329,610
INVESTMENTS					
Shares in Zenith Global Consultants Ltd			4,000		4,000
CURRENT ASSETRS AND LOANS & ADVANCES	E	38,372,496		18,553,477	
LESS: CURRENT LIABILITIES & PROVISIONS	F	16,251,340		758,085	
Net Current Assets			22,121,156		17,795,392
MISCELLANEOUS EXPENDITURE	G		70,933,892		75,688,291
TOTAL			94,817,293		94,817,293
Significant Accounting Policies	H				
Note No.12 of Schedule J	I		(0)		(0)
			0		0

As per our report of even date
For R. Baskaran & Co
 CHARTERED ACCOUNTANTS

For ARCHANA SOFTWARE LIMITED

sd/-
R BASKARAN
 PARTNER

sd/-
S. SONAACHALAM
 DIRECTOR

sd/-
CHIKALPAT YOGESH PAI
 DIRECTOR

Place: Chennai
 Date: 03.08.2011

ARCHANA SOFTWARE LIMITED
Land Marvell F1 3rd Floor
Indira Nagar Adyar
CHENNAI - 600 020.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31.03.2011

	SCHEDULE Ref.	31.03.2011	31.03.2010 Rs.
INCOME			
Software Sales		31,681,700	3,819,650 -
TOTAL		31,681,700	3,819,650
EXPENDITURE			
Administrative & Other Expenses	J	26,678,941	2,629,671
Depreciation		248,360	216,203
TOTAL		26,927,301	2,845,874
Profit/(Loss) before tax during the year		4,754,399	973,776
Profit after tax during the year		4,754,399	973,776
Balance brought forward		(75,688,291)	(76,662,067)
Balance Carried to Balance Sheet		(70,933,892)	(75,688,291)
Significant Accounting Policies	H		
Notes on Accounts	I		

As per our report of even date

For R. Baskaran & Co
CHARTERED ACCOUNTANTS

sd/-
R BASKARAN
PARTNER

Place: Chennai
Date: 03.08.2011

For ARCHANA SOFTWARE LIMITED

sd/- S. SONAACHALAM DIRECTOR	sd/- CHIKALPAT YOGESH PAI DIRECTOR
---	---

ARCHANA SOFTWARE LIMITED				
DETAILS OF SCHEDULES 2010- 11				
	31.03.2011		31.03.2010	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 'A'				
SHARE CAPITAL AUTHORISED				
70,00,000 Equity Shares of Rs.10/- each		70,000,000		70,000,000
ISSUED				
60,00,000 Equity Shares of Rs.10/- each		60,000,000		60,000,000
		60,000,000		60,000,000
SUBSCRIBED CALLED UP AND PAID UP				
30,00,000 Equity Shares of Rs.10/- each		30,000,000		30,000,000
30,66,700 Equity Shares of Rs.10/- each		30,667,000		30,667,000
TOTAL		60,667,000		60,667,000
Less :Calls Unpaid		227,500		227,500
BALANCE IN EQUITY SHARE CAPITAL		60,439,500		60,439,500
SCHEDULE 'B'				
RESERVES AND SURPLUS				
A) General Reserve		250,000		250,000
B) Share Premium	30,667,000		30,667,000	
Less: Calls Unpaid	227,500	30,439,500	227,500	30,439,500
		30,689,500		30,689,500
CURRENT ASSETS, LOANS & ADVANCES				
A. CURRENT ASSETS				
1. Cash & Bank Balance				
Cash on hand		70744		49,114
Cash at Bank		10156.74		116,787
2. Sundry Debtors		21,099,421		2,186,920
3. Stock on Hand - Software		8,488,344		7,568,826
B. LOANS & ADVANCES				

Security Deposit	210,000	210,000
Advances recoverable in cash or in kind	8,493,830	8,421,830
Others		
	38,372,496	18,553,477
SCHEDULE 'D'		
CURRENT LIABILITIES & PROVISIONS		
Sundry Creditors for Expenses	1,625,134	758,085
	16,251,340	758,085
SCHEDULE 'E'		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Profit & Loss Account	70,933,892	75,688,291
	70,933,892.35	75,688,291
SCHEDULE 'I'		
ADMINISTRATIVE & OPERATING EXPENSES		
Software Development including employee cost	17,274,498	1,521,000
Marketing Expenses	1,406,723	114,394
AGM Expenses	56,700	42,702
Bank Charges & Other finance expenses	18,500	28,500
Listing Fees	33,000	33,000
Rent	96,000	67,500
Postage & Telegram	49,236	27,465
Telephone Charges	58,420	34,564
Printing & Stationery	78,546	65,486
Audit Fees	12,500	12,500
Other Expenses	158,900	97,191
Salary	7,435,918	585,370
	26,678,941	2,629,671
Advances Recoverable in Cash or in Kind		
Advance for Premises	6,000,000	6,000,000
EMD	65,720	65,720
Others	2,428,110	2,356,110
	8,493,830	8,421,830

FIXED ASSETS AS PER COMPANIES ACT FOR THE YEAR 2010 -11:

ASSETS	SLM RATE	GROSS BLOCK			DEPRECIATION			As on 31.03.2011	As on 31.3.2010
		As on 01.04.2010	Additions / (Deletion) for the year	TOTAL	Previous Year 2009 - 10	For the year 2010 - 11	Total as on 31.3.2011		
Office equipment	4.75%	125,112.00	676,995.00	802,107.00	13,937.10	38,100	52,037.17	750,069.83	111,174.90
Furnitures	6.33%	615,082.00		615,082.00	98,243.40	38,934.69	137,178.08	477,903.92	516,838.60
Airconditioner	4.75%	85,000.00		85,000.00	11,072.72	4,037.50	15,110.23	69,889.77	73,927.29
Computer	16.21%	993,016.00		993,016.00	449,828.08	160,967.89	610,795.97	382,220.03	832,048.11
Electrical fitting	6.33%	99,839.00		99,839.00	15,358.02	6,319.81	21,677.82	78,161.18	84,480.98
Total		1,918,049.00	676,995.00	2,595,044.00	588,439.31	248,359.97	836,799.28	1,758,244.72	1,618,469.88

CALCULATION OF DEFERRED TAX:		Rs.
Depreciation as per companies act		248,359.97
Depreciation as per Income Tax act		178,725.50
Difference		69,634.47
Deferred tax (liabilities) / assets		23,668.75

ARCHANA SOFTWARE LIMITED

**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 1

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

9 4 8 1 7

Total Assets

9 4 8 1 7

Source of Funds

Paid up Capital

6 0 4 3 9

Reserves & Surplus

3 0 6 8 9

Secured Loans

N I L

Unsecured Loans

N I L

Application of Funds

Net Fixed Assets

1 7 5 8

Investments

4

ARCHANA SOFTWARE LIMITED

Net Current Assets

		2	2	1	2	1
--	--	---	---	---	---	---

Misc. Expenditure

		N	I	L		
--	--	---	---	---	--	--

Accumulated Losses

		7	0	9	3	3
--	--	---	---	---	---	---

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

Turnover

		3	1	6	8	1
--	--	---	---	---	---	---

Total Expenditure

		2	6	9	2	7
--	--	---	---	---	---	---

Profit /Loss before tax

			4	7	5	4
--	--	--	---	---	---	---

Profit After Tax

			4	7	5	4
--	--	--	---	---	---	---

Earning Per Share in Rs.

			0	.	7	7
--	--	--	---	---	---	---

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/-

**S. SONNACHALAM
DIRECTOR**

Sd/-

**CHIKALPAT YOGESH PAI
DIRECTOR**

**CHENNAI
03.08.2011.**

ARCHANA SOFTWARE LIMITED

ANNEXURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT:

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2011 31.03.2011

31.03.2010

	Rs.	Rs.
A. Cash Flow from Operation Activities		
Net Profit before tax and extraordinary items	47,54,399	9,73,777
Adjustments for:		
Depreciation	2,48,360	2,16,203
Operating Profit before working capital charges	50,02,759	11,89,980
Adjustments for:		
Trade and other receivable	(1,89,12,501)	6,00,000
Inventories	(9,19,518)	(10,25,981)
Trade payable	1,54,93,255	(66,396)
Loans & advances	(72,000)	(5,73,661)
Cash generated from operations	5,91,995	1,23,942
Direct Taxes paid		
Interest paid		
Cash flow before extraordinary item	5,91,995	1,23,942
Extraordinary item		
Net Cash from operating activities	5,91,995	1,23,942
B. Cash flow from Investing Activities		
Purchase of Fixed Assets	(6,76,995)	-
Sales of Fixed Assets	-	-
Purchase of investments	-	-
Interest Received	-	-
Dividend Received	-	-
Net Cash used in Investing Activities	-	-
C. Cash flow from Finance Activities		
Proceeds from issue of share capital	-	-
Proceeds from long term borrowings	-	-
Repayment of finance lease liabilities	-	-
Dividend paid	-	-
Net Cash used in Finance Activities	-	-

ARCHANA SOFTWARE LIMITED

Net Increase in Cash & cash equipment [A+B+C]	(85,000)	1,23,942
Cash and cash equivalent as at (Opening balance)	1,65,901	41,959
Cash and cash equivalent as at (Closing balance)	80,900	1,65,901

As per our report attached to the balance sheet

For ARCHANA SOFTWARE LIMITED

**For BASKARAN & Co
Chartered Accountants**

**Sd/-
R. BASKARAN
Parnter**

**Sd/-
s. SONNAACHALAM
DIRECTOR**

**Sd/-
Chikalpat Yogesh Pai
DIRECTOR**

Place: Chennai
Date : 03.08.2011.

ARCHANA SOFTWARE LIMITED

ARCHANA SOFTWARE LIMITED

(Formerly SSL FINANCE LIMITED)

64, Velacherry Main Road, Sankaran Avenue, Velacherry, Chennai-600042.

ATTENDENCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall.)

Member / Proxy(name).....

I hereby record my presence at the Sixteenth Annual General Meeting held on Thursday the 29th September, 2011 at 10 am at the N.M.S. Marriage Hall, 61F Main Road, Velachery, Chennai-600 042.

Registered Folio																				
------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held																				
-----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DO ID

Names of the Shareholders/ proxy(in block letter)

Signature of the Shareholders/proxy.....

FORM OF PROXY

Registered Folio																				
------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of shares held																				
-----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

DO ID

I/Weof.....in the district of.....being membership(s) of the Company named herein above, hereby Mr..... of.....in the district of.....of filing him Mr.of

in the district ofas my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the company held on Thursday the 29th September, 2011 at the N.M.S. Marriage Hall, 61F Main Road, Velachery, Chennai-600 042. at 10.00 a.m. and at every adjournment thereof.

Signed this.....day of.....2011.