NINETEENTH ANNUAL REPORT

2012 - 2013

ARCHANA SOFTWARE LIMITED
Regd. & Admn. Office:
Land Marvel Nest F1 3rd Floor,
Indira Nagar ,
Adyar,
Chennai - 600 020.

Boards of Directors	S.Sonnaachalam. Director S.Ravi Shankar. Director M.B. Sekar. Director Chikalpat Yogesh Pai Director
Auditors	A. SARAVANAN. Chartered Accountant 191-G, Annai Gardens, T.T.P. Mill Road,AB Nagar, Gandhi Nagar (PO), Tirupur – 641 603
Bankers	Tamilnadu Mercantile Bank Ltd. Kamaraj Road Tirupur. HDFC Bank Ltd I.T.C Centre Anna Salai, Chennai. IDBI Ltd. 11S, Annasalai Saidapet Chennai.
Registered Office	Land Marvel Nest F1 3rd Floor, Indira Nagar, Adyar, Chennai – 600 020.

NOTICE

Notice is hereby given that the Nineteenth Annual General Meetings of the Company will be held on Friday, 27th September 2013 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

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2013 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report thereon.

2. To appoint a director in the place of Mr.S.Ravi Shankar, who retires by rotation and be eligible offers himself for reappointment.

3. To appoint Auditors and to authorize the Board to fix their remuneration.

By Order of the Board

Sd/-

S. SONAACHALAM.
DIRECTOR

PLACE: CHENNAI,
DATE : 02.09.2013.

NOTES

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and 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 24th September 2013 to 27th September 2013 (both days inclusive).

3. Members are requested to notify change in address, if any, to the Company's Secretarial Department at No. 64, Velachery Main Road, Sankaran Avenue, Velachery, Chennai – 600 042, 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 13th September 2013.

By Order of the Board

Sd/-
S. SONAACHALAM
DIRECTOR

PLACE: CHENNAI
DATE : 02.09.2013.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report on the working of the Company along with the audited Balance Sheet and Profit Loss Account for the year ended 31st March 2013.

FINANCIAL RESULTS

	Rs. In Lacs	Rs. In Lacs
	2012 - 13	**2011 - 12**
Sales Income	519.76	462.44
Profit/ (Loss) before tax	(00.79)	57.56
Profit/ (Loss) after tax	(00.79)	57.56
Balance carried to Balance Sheet	(652.57)	(651.78)

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 fo marketing the goods through web. The company's turnover had increased from Rs.462.44 lacs in the previous year to Rs.519.76 lacs in the current year. The software product marketed by the company had good response during 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 additional revenue to the company and good margin. it has started operations in the textile products also which have given tremendous increase in its turnover.

The company has issued detailed Public Statement in Terms of Regulation 15 (2) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the Attention of the Equity Shareholders Cash Offer for Acquisition of Equity Shares from Shareholders on 22/02/2013. Total No of Shares 12,85,470 (21.19%) by Acquirer Mr. S.Vasanth Kumar Sundaravadivelu. (Ref: The Financial Express (English All Editions), Janasatha (Hindi All Editions), Navasakthi (Marathi Mumbai Edition) & Makkal Kural (Tamil – Chennai Editions)

Name of the Sellers	Address of the Sellers	No. & % of Shares/ Voting Rights held Before the Off-Market Transactions		No. & % of Shares/ Voting Rights held After the Off-Market Transactions	
		No. of Shares	%	No. of Shares	%
Mr. R.Rajasankar	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	52200	0.86	Nil	Nil
Mr.D.Ravisankar	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	10	0	Nil	Nil
Mr.S.Durai	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	10	0	Nil	Nil
Mr.R.Vallabai	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	150000	2.47	Nil	Nil
Mr.V.P.Ramanathan	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	10010	0.16	Nil	Nil
Mr.K.R.Jain	No.9, Bishop Avenue, Mylapore, Chennai – 600 004.	40500	0.67	Nil	Nil
M/s. Sankar Homes (P) Ltd.	48, South Boag Road, T.Nagar, Chennai – 600 017.	1032740	17.02	Nil	Nil
	Total	1285470	21.19		

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.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.

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. Saravanan & Co, 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.

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 292A of the Companies Act, 1956 as to constitution of Audit Committee with Mr. S. Sonnaachalam and Mr. S. Ravishankar are being members of the said committee. Mr. M.B. Sekar is the Chairman of the committee.The committee met six 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).

DIRECTORS

a. Re-appointment:

Mr. S.Ravi Shankar, Director of the Company retires by the rotation at this Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS

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

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 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/-
S. SONAACHALAM
DIRECTOR

PLACE: CHENNAI
DATE : 02.09.2013.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED

31ST MARCH 2013

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 2013,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 6 (six times) on the following dates during the financial year 2012 -13

May 02, 2012	November 23, 2012	February 07, 2013
August 01, 2012	January 03, 2013	March 14, 2013

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 2013 as well as names and categories of the directors on the board, their attendance at Board Meetings held during the financial year 2012 – 13 and also at the last Annual General Meeting were as follows:

Name of Directors	Category	Membership Chairmanship held in committees of other companies	No. of Directorships Held	Number of Meeting Attended	Attendance at last AGM
Chikalpat Yogest pal	Independet	-	-	6	YES
M.B.Sekar	Independet	-	-	6	YES
S.Sonnachalam	Whole time director	–	-	6	YES
S.Ravi Shankar	Independet	-	-	6	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:

a. 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 2013 the committee met on the following dates:

April 13 2012	July 23, 2012	October 17, 2012	January 21, 2013
May 17, 2012	August 10, 2012	November 27, 2012	February 1S, 2013
June 29, 2012	September 19, 2012	December 31, 2012	March 29, 2013

a) Composition:

Name of the members:

S. Ravi Shankar

M.B. Sekar

Chikalpat Yogesh Pai

2. Audit committee:

Term of reference:

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 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

May 22, 2012	July 17, 2012	January 04, 2013
June 15, 2012	October 10, 2012	March 04, 2013

The composition of the Committee as on 31st March 2013 as well as their attendance at the Meetings held during the financial year 2012 – 13 as follows:

Name of members	No. of meetings attended
Chikalpat Yogesh Pai	6
M.B. Sekar	6
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 2012.

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 2 times on June 13, 2012 and February 08, 2013 to review the shareholders'/investors' grievances.

b) Composition and Attendance:

Name of members	No. of Meeting Attended
M.B.Sekar	2
Chikalpat Yogesh Pai	2

Name, Designation and address of Compliance Officer:

Mr. Chikalpat Yogesh Pai,
Director,
Archana Software Limited.
No.64, Velachery Main Raod,
Sankaran Avenue,
Velachery,
Chennai – 600 042.

Status of Investors complaints as on March 31, 2013 are as under:

Complaints as on April 1, 2012	-	Nil
Received during the year	-	2
Resolved during the year	-	2
Pending as on March 31, 2013	-	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 lodgements are processed within 20 days and returned except In cases where litigation is involved.

4. Details of General Body Meeting:

Year	Location	Date	Time
2009-10	N.M.S. Marriage Hall, No 61F, Main Road,Velacherry, Chennai 42	29.09.2010	10.00 A.M
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

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:

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

b. The results are generally published in the News Today and Malai Sudar

c. The Management Discussion and Analysis Report for the year 2012-2013 forms part of the Annual Report.

7. General Shareholder Information

1. AGM: Date, time and venue	:	27.09.2013, 10.00 AM N.M.S. Marriage hall, 61f, Main Road, Vellachery, Chennai-600 042.
2. Date of Book Closure	:	24.09.2013 to 27.09.2013 (both days inclusive)
3. Tentative dates of Board Meetings for considering the results (2013-2014)	:	1st Quarter, last week of July 2013 2nd Quarter, last week of October 2013 3rd Quarter, last week of January 2014 4th Quarter, last week of April 2014

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

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 2013, out of total 60,66,700 equity shares of the company, 37,04,100 shares representing 61.06% of total shares have been dematerialized. The detailed breakup of shares as on 30st March 2013 is as follows:

Particulars	No. of shares	Percentage
CDSL	472743	7.79
NSDL	3265757	53.83
PHYSICAL	2328200	38.38
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 2013

Total Nominal Value:

Nominal value of each equity share Rs.10 each

Total number of shares:

Type of Shareholder	No. of Shareholder	No. of Share	No. of Share 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

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,
No. 64, Velacherry Main Road,
Sankaran Avenue,
Velachery,
Chennai – 600 042.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANACE

To

The Shareholders
Archana Software Limited

I have examined the Compliance of Conditions of Corporate Governance by Archana Software Limited, Chennai, for the year ended 31st March 2013, 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 compiled with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

I further state that such compliance is neither as 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: 02.09.2013

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 2013, as envisaged in clause 49 of the Listing Agreement with Stock Exchange.

Place: - Chennai

Date: - 02.09.2013

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 it 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 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/-
S. Sonaachalam
WHOLE TIME DIRECTOR

Place:- Chennai
Date:- 02.09.2013

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OUTLOOK

OVERVIEW:

In Financial year 2012-13, 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 unleasing 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 12-13 was increased to Rs.S19.76 lacs from Rs.462.44 lacs in FY 11-12 registering growth rate of 12.4 % 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 obsolence

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 incurred a loss of Rs.00.79 lacs for the year ended 31st March 2013.

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

Sd/-
S. SONAACHALAM
Director

Place : Chennai

Date : 02.09.2013

AUDITORS REPORT

TO

THE MEMBERS OF M/S. ARCHANA SOFTWARE LIMITED.

I have audited the accompanying financial statements of M/S. ARCHANA SOFTWARE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, 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 is responsible for the preparation of these 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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. 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 my audit opinion.

In my opinion and to the best of my information and according to the explanations given to me, the financial statements *subject to No1 of Schedule 'H' regarding non conformation of balances & note 5 of Schedule H regarding non provision for deferred tax liability,* 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

b) in the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and

c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

1 As required by the Companies (Auditor's Report) Order, 2003 ("theOrder") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2 As required by section 227(3) of the Act, I report that:

a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;

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

c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) in my opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Sd/-
A.SARAVANAN, B.Com., F.C.A.,
Chartered Accountant
(M.No. 026101)

Place:Chennai
Date:02/09/2013

The Annexure referred to in paragraph 1 of the my Report of even date to the members of M/S. ARCHANA SOFTWARE LIMITED on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.

   (c) In my opinion and according to the information and explanations given to me, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. (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 my 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.

3. (a) 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 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

   (b) 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 taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

4. 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.

5. a) Based on the audit procedures applied by me and according to the information and explanations provided by the management, the particulars of contracts or

arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to me and in my opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.

7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.

8. I am informed that the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.

9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

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

10. The Company does have accumulated loss but have not incurred cash loss during the financial year covered by my audit and also in the immediately preceding financial year.

11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

12. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.

14. According to information and explanations given to me, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.

15. According to the information and explanations given to me, the Company has not given any guarantees for loan taken by others from a bank or financial institution.

16. Based on my audit procedures and on the information given by the management, I report that the company has not raised any term loans during the year.

17. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, I report that no funds raised on short-term basis have been used for long-term investment by the Company.

18. Based on the audit procedures performed and the information and explanations given to me by the management, I report that the Company has not made any preferential allotment of shares during the year.

19. The Company has no outstanding debentures during the period under audit.

20. The Company has not raised any money by public issue during the year.

21. 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 I been informed of such case by the management.

Sd/-
A.SARAVANAN, B.Com., F.C.A.,
Chartered Accountant
(M.No. 026101)

Place:Chennai
Date:02/09/2013

ARCHANA SOFTWARE LIMITED

BALANCESHEET AS ON 31ST MARCH 2013

	Particulars	Note No	As at 31 March, 2013	As at 31 March, 2012
			RS	RS
A	**EQUITY AND LIABILITIES**			
1	**Shareholders' funds**			
	(a) Share capital	1	60,439,500	60,439,500
	(b) Reserves and surplus	2	-34,566,923	-34,488,283
2	**Non-current liabilities**			
	(b) Deferred tax liabilities (net)	3	3,688,293	3,688,293
3	**Current liabilities**			
	(b) Trade payables	4	36,385,064	28,738,677
	(c) Other current liabilities	5	21,492,697	17,050,000
	TOTAL		**87,438,631**	**75,428,187**
B	**ASSETS**			
1	**Non-current assets**			
	(a) Fixed assets			
	(i) Tangible assets	6	1,261,525	1,509,885
	(b) Non-current investments	7	4,000	4,000
2	**Current assets**			
	(b) Inventories	8	9,058,815	8,488,344
	(c) Trade receivables	9	46,875,946	40,130,224
	(d) Cash and cash equivalents	10	732,006	220,160
	(e) Short-term loans and advances	11	29,506,338	25,075,574
	TOTAL		**87,438,631**	**75,428,187**

For A.SARAVANAN
Chartered Accountants

A.SARAVANAN

Place : Chennai
Date : 02.09.2013

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Managing Director

ARCHANA SOFTWARE LIMITED
Statement of Profit and Loss for the year ended 31 March, 2013

	Particulars	Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
			RS	RS
A	**CONTINUING OPERATIONS**			
1	Revenue from Operation	12	51,976,158	46,243,892
	Total revenue		51,976,158	46,243,892
2	Expenses			
	(a) Cost of materials consumed	13	51,428,774	39,875,584
	(f) Depreciation and amortisation expense	6.A	248,360	248,360
	(g) Other expenses	14	377,665	363,839
	Total expenses		52,054,799	40,487,783
	Profit / (Loss) before extraordinary items and tax		- 78,641	5,756,109
	Profit / (Loss) before tax		- 78,641	5,756,109
	Tax expense:		-	-
	Profit / (Loss) from continuing operations		- 78,641	5,756,109

For A.SARAVANAN
Chartered Accountants
A.SARAVANAN
Place : Chennai
Date : 02.09.2013

For and on behalf of the Board of Directors

Sd/- Managing Director

Sd/- Director

ARCHANA SOFTWARE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	As on 31.03.13 Rs	As on 31.03.12 Rs
Note - 1		
Authorised Share Capital		
70,00,000 Equity Shares of RS.10/- each	**70,000,000**	**70,000,000**
Issued Subscribed and Paid up		
60,66,700 Equity Shares of Rs.10/- each	60,667,000	60,667,000
6066700 Equity share of Rs.10/-each	0,667,000	60,667,000
Less: calls unpaid	227,500	227,500
	60,439,500	**60,439,500**
Note - 2: Reserves and surplus		
General Reserves	250,000	250,000
Profit &loss		
Profit/(Loss) at the Beginning of the year	(65,177,783)	(70,933,892)
Add : Current Year Profits/(Loss)	(78,641)	5756109
	(65,256,424)	**(65,177,783)**
Other Reserves		
Share premium	30,667,000	30,667,000
Less: calls unpaid	(227,500)	(227,500)
	30,439,500	30,439,500
Net Reserves and surplus	**(34,566,923)**	**(34,488,283)**
Note - 3: Deferred tax (liability) assets		
Unabsorbed depreciation carried forward	3,688,293	3,688,293
Net Deferred tax (liability) assets	**3,688,293**	**3,688,293**
Note -4 : Trade Payables		
Sundry Creditors:	36,385,064	28,738,677
	36,385,064	**28,738,677**
Note - 5 : Other Current liabilities		
Advance Received	21,450,000	17,050,000
Audit Fee - Payable	33,708	
TDS Payable	8,989	
	21,492,697	**17,050,000**

Note -7 : Investments		
Other Non current investment (specif nature)	4,000	4,000
Investment on share (Zenith Golbal consultant ltd)	**4,000**	**4,000**
Note -8 : Inventories		
Stock on Hand	9,058,815	8,488,344
Good in transit		
	9,058,815	**8,488,344**
Note -9 : Trade Receivables		
Debts due exceeding Six Months	39,659,809	20,030,000
Others	7,216,137	20,100,224
	46,875,946	**40,130,224**
Note -10 : Cash and Cash equivalents		
Cash in hand	51,236	70,744
Cash at Bank - With Scheduled Banks In Current account	680,770	149,416
	732,006	**220,160**
Note - 11 : Short Term Loans and Advances		
Security deposits : considered good	210,000	210,000
Balances with government authorities		
Vat credit receivable	15,000	3,744
Other secured:considered goods advance to others	11,428,110	2,428,110
Advance to premises	1,419,508	6,000,000
K.R.C. Housing and infrastructure company	16,368,000	16,368,000
EMD	65,720	65,720
	29,506,338	**25,075,574**

ARCHANA SOFTWARE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	For the year ended 31.03.13	For the year ended 31.03.12
	Rs	Rs
Note - 12 : Revenue from operations:		
Sale of Fabric	20,358,509	34,956,675
Sale of Yarn	31,617,649	11,287,217
Total	**51,976,158**	**46,243,892**
Note - 13: Cost of Materials consumed		
Opening stock of Rawmaterials	8,488,344	
ADD: Purchases during the year	51,999,245	39,875,584
LESS: Closing stock	9,058,815	8,488,344
Raw Material Consumed	**51,428,774**	**31,387,240**
Material consumed comprises		
Fabric purchase	20,158,224	30,223,112
Yarn purchase	31,831,021	9,630,447
Direct Expenses - certificate charges	10,000.00	22,025.00
	51,999,245	**39,875,584**
Note - 14: Other Expenses		
Annual custody fees	42,993	35,605
Annual listing fees	28,090	31,125
Audit Fee & Expenses	44,430	16,854
Bank charges	22,080	2,812
E-TDS Filing Charges	31	
Printing and Stationary		23,706
Meeting charges		5,000
Service charges	63,119	58,763
Professional charges	170,422	98,175
ROC Filing Charges	6,500	
software expenses		21,329
Travelling & Local Conveyance expenses		70,470
	377,665	**363,839**

ARCHANA SOFTWARE LIMITED

NOTE - 6: TANGIBLE ASSETS

DEPRECIATION AS PER COMPANIES ACT.FOR THE YEAR 2012-13

AMOUNT IN RUPEES

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK
	AS AT 31.03.12	ADDITIONS	DELETIONS	AS AT 31.03.13	UPTO 31.03.12	CURRENT YEAR	ADJUSTMENT	AS AT 31.03.13	AS AT 31.03.13
Office Equipments	802,107.00	0.00	0.00	802,107.00	90,137.27	38,100.08	0.00	128,237.35	673,869.65
Furniture & Fittings	615,082.00	0.00	0.00	615,082.00	176,112.78	38,934.69	0.00	215,047.47	400,034.53
Air Conditioner	85,000.00	0.00	0.00	85,000.00	19,147.72	4,037.50	0.00	23,185.22	61,814.78
Computer	993,016.00	0.00	0.00	993,016.00	771,763.67	160,967.69	0.00	932,731.76	60,284.24
Electrical & Fittings	99,639.00	0.00	0.00	99,639.00	27,997.64	5,319.81	0.00	34,317.45	65,321.55
TOTAL	2,595,044.00	0.00	0.00	2,595,044.00	1,085,159.28	248,359.98	0.00	1,333,519.26	1,261,524.74

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 and transactions in textile products.

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, 2013

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

7. Earning Per Share

	2012 - 13	2011 - 12
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	(78,641)	57,56,109
b. Basic and diluted earning per share (in Rupees) EPS (diluted)	NIL	0.94

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. 3.Payment to auditors

	31.03.2013	31.03.2012
	(Rs.)	(Rs.)
Audit Fees	15,000	15,000
Taxation Work	-	-
TOTAL	**15,000**	**15,000**

4. For the year-ended 31.03.2013, 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 form 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/-	sd/-
Date: 02.09.2013.	S.SONAACHALAM	CHIKALPAT YOGESH PAI
	DIRECTOR	DIRECTOR

ARCHANA SOFTWARE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2013

Particulars	31.03.2013		31.03.2012	
	Rs	Rs	Rs	Rs
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		-78641		5,756,109
Adjustments for:				
Depreciation and amortisation	248,360		248,360	
		248360		248,360
Operating profit / (loss) before working capital changes		169719		6,004,469
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	-570,471			
Trade receivables	-11,176,487		-35,402,547	
Long-term loans and advances				
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	12,089,084		29,537,337	
		342126		-5,865,210
Cash generated flow operation activities		511846		139,259
Cash flow before extraordinary item				
Extraordinary item (Net)		-		
Net cash flow from / (used in) operating activities (A)		511846		139,259
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances			-	
		0		-
Net cash flow from / (used in) investing activities (B)		0		-
C. Cash flow from financing activities				
Finance cost		22080		
Dividends paid				
Tax on dividend				
Net cash flow from / (used in) financing activities (C)		0		-
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		511846		139,259
Cash and cash equivalents at the beginning of the year		220160		80,901
Cash and cash equivalents at the end of the year		732006		220,160

INFORMATION PURSUANT TO PART IV OF SCHEDULE VI OF THE COMPANIES ACT,

19S6 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BSUINESS PROFILE.

I. Registration: 29226

State Code: 18

Balance Sheet Date: 31 03 2013

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

Public Issue: NIL

Right Issue: NIL

Bonus Issue: NIL

Private Placement: NIL

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

Total Liabilities: 87439

Total Assets: 87439

Source of Funds

Paid up Capital: 60439

Reserves & Surplus: -34S4S

Secured Loans: NIL

Unsecured Loans: NIL

Application of Funds

Net Fixed Assets: 1S09

Investments: 4

Net Current Assets: 28295

Misc. Expenditure: NIL

Accumulated Losses:

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

Turnover	Total Expenditure
S 1 9 7 6	S 2 0 3 8

Profit /Loss before tax	Profit After Tax
- 7 9	- 7 9

Earning Per Share in Rs.	Dividend Rate %
N I L	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.SONAACHALAM
DIRECTOR

sd/-
CHIKALPAT YGESH PAI
DIRECTOR

CHENNAI
01.09.2013.

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 Eighteenth Annual General Meeting held on Friday the 27th September, 2013 at 10 am at the N.M.S. Marriage Hall, 61F Main Road, Velachery, Chennai-600 042.

Registered Folio	
No of Shares held	

DO ID

Names of the Shareholders/ proxy .....(in block letter)

Signature of the Shareholders/proxy.....

FORM OF PROXY

Registered Folio	
No of Shares held	

I/We .....of.....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 of .....as 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 Friday the 27th September, 2013 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.....2013.

BOOK-POST

If Undelivered please return to:

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

ARCHANA
SOFTWARE LIMITED

'Land Marvel Nest', F-I
3, First Main Road, Indira Nagar,
Adyar, Chennai-600 020.
Tel No. : +44 64555955
Email : archanainvestors@gmail.com

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	ARCHANA SOFTWARE LIMITED
2	Annual financial statements for the year ended	31st March 2013.
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Nil
5	To be signed by- • CEO/ Managing Director • CFO • Auditor of the Company • Audit Committee Chairman M.B. Sekar	A. SARAVANAN.B.Com.,F.C.A., Chartered Accountant (M.No-26101) No 191-G "Annai Gardens" Gandhi Nagar Post, Tirupur - 641 603