

# **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  
archanasoftware@gmail.com

CIN : L65191TN1994PLC029226

20<sup>th</sup> September 2016

The Manager,  
Corporate Relations Department,  
The BSE Limited, PJ Towers, Dalal Street,  
Mumbai- 400 001

**Ref: ASL-BSE/2016-2017/0019**

Sir / Madam,

**Sub: Compliance under Regulation 34(1) of SEBI (LODR) Regulations 2015 - Reg**

**Ref: Scrip Code- 530565**

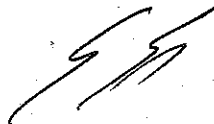
We hereby inform you that the equity shareholders of our company, at their Annual General Meeting held on Tuesday, the 20<sup>th</sup> September 2016 at N M S Marriage Hall, No.61F Main Road, Velachery, Chennai- 600042 have approved and adopted the Annual Report of the Company for the year 2015-2016 and Audited Accounts for the year ended 31<sup>st</sup> March 2016.

We hereby enclose the Annual Report including the Audited Accounts.

We request you to kindly update your records

Thanking you,

**For Archana Software Limited**



**Director**





# **ARCHANA SOFTWARE LIMITED**



**22<sup>ND</sup> ANNUAL REPORT  
2015 – 2016**



## **DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report on the working of the Company along with the audited Balance Sheet and Profit Loss Account for the year ended 31<sup>st</sup> March 2016.

## **FINANCIAL RESULTS**

**Rs. in Lacs**

<b>Particulars</b>	<b>2015-2016</b>	<b>2014-2015</b>
Sales Income	192.28	549.10
Profit / (Loss) before Tax	(10.07)	(0.46)
Profit / (Loss) after Tax	(10.29)	2.42
Balance carried to Balance Sheet	(658.55)	(648.26)

## **DIVIDEND**

No dividend has been recommended for the year.

## **TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

The board does not proposed any amount to carry to any specific reserves.

## **OPERATIONS as STATE OF COMPANY'S AFFAIRS**

During the year, your company has clocked a turnover of Rs.1.92 crores and Net loss of Rs.10.29 lakhs. Your directors are confident of registering substantial increase in turnover and profits in the coming years.

## **CHANGES IN NATURE OF BUSINESS**

There is no significant changes had been made in the nature of the company during the financial year

## **MANAGEMENT DISCUSSION & ANALYSIS**

### **Overview of the Economy**

In 2015-2016, world economy continued its recovery from the recession in the last decade; the global growth of 3.4% showed a continued path to improvement taking into account growth of 3.4% in 2013. India's economy also showed a continued cyclical upswing; in FY 2015-16, India's GDP grew significantly compared to FY15. While these higher numbers partially reflect the change in base year used for calculation of GDP, the overall growth demonstrates a strong recovery. Due to record-low oil prices and focus on fiscal policy by the new Government at the centre, inflation has eased. It has also allowed easing of interest rates. Strong investor sentiment and record FII inflows have helped stabilize the currency.

However, deadlock in the parliament on key reforms and the prospect of taxation under MAT has led to short-term jitters in the market. Lack of pickup in credit growth due to high banking NPAs is a worrying sign. While the markets have reached record levels, showing great optimism, it remains to be seen whether it will be seen in the performance of industry sector. Looking ahead, the outlook for FY 2016-17 appears optimistic. Policy initiatives, pick-up in investments and continued low oil prices are likely to continue the momentum. While a lot will depend on the ability of the Government to drive 2nd generation reforms and remove structural bottle-necks, the intent and continued support to industrial growth in the country is unquestioned.

In FY 2016-17, India is likely to accelerate GDP growth rate to 7%- 7.6%. The increase in growth rate is expected to be contributed majorly by the industrial sector. Unclogging of domestic policy logjam as well as improvement in private consumption demand is likely to drive the growth. Though addressing supply-side constraints (e.g. in mining, power, and steel sectors) will be the key to continue this momentum and achieve the increase in growth rate. The prospects of long-term growth in India remain strong. India brings to the table a rare set of strengths: A long standing tradition of stable democratic governments, capable private sector, huge consumer base and restless entrepreneurs. Given India's demographic transition, the country will still be a relatively young nation 20 years from now. This is likely to generate significant volumes of savings and investment over the coming years. All of the above will create a huge market opportunity for companies who are willing to take long-term bets on the Indian consumer.

### **Indian Textile Industry**

Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and export earnings of the country. It contributes about 4% of India's GDP, 14% to India's industrial production and 13% to the country's export earnings & 27% of the foreign exchange inflows. Textile Industry provides employment to 45 million people, which makes it the 2nd largest employment provider in the country after Agriculture. Globally, India has the 2nd largest textile manufacturing capacity; the Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and eight per cent of global rotor capacity. It is now the 2nd largest textile exporter in the world. The size of the Indian textiles and apparel industry is expected to reach USD 223 billion by 2021. While Indian textile industry has strong presence across the value chain, manufacturing value chain is

unbalanced. India is 2nd largest producer of man-made staple fibre. With 50 million spindles, India is one of the world's leading and most cost efficient producer of the spun yarn. While it has 2nd largest no. of looms globally, the organized mill sector contributes only 5%. India needs to upgrade its loom as well as processing machinery.

### **Opportunities and Threats**

The demand for the company's products are on the stable, the premium products are more visible and are adding to the revenue of the company. Association with Indian Premier League has given a wider reach to the company's products.

### **Future Outlook**

The company is trying to do well in the domestic market. On the whole the outlook for the company continues to remain positive.

### **Risks and Concern**

Proper and unhindered availability of labor force is an issue to meet the increasing demand coupled with an even price fluctuation in yarn prices and govt policies are some of the issues that need to be taken care of, your company is taking efforts to cut down dependence on outside forces, Your Company has a well documented Risk Management Policy. This policy is reviewed by the Management periodically and is appropriately modified wherever necessary.

### **Transparency in Sharing Information**

Transparency refers to sharing information and acting in an open manner. Processes, instructions and information are directly accessible to those concerned with them and enough information is provided to understand and monitor them. Your Company believes in total transparency in sharing information about its business operations with all its stakeholders.

Your Company strives to provide maximum possible information in the Management Discussion and Analysis in the Annual Report and also through other means to keep the stakeholders informed about the business performance.

### **Internal Control Systems**

The Company has adequate internal control procedure commensurate with the nature of its business and the size of its operations for the smooth conduct of its businesses. Internal audit is conducted at regular intervals and covers the key areas of operations. It is an independent, objective and assurance function responsible for evaluating and improving the effectiveness of risk management, control and governance processes. An Audit Committee consisting of three independent non-executive directors, inter alia, monitors performance of Internal Audit on a periodical basis through review of the audit plans, audit findings and promptness of issue resolution through follow-ups.

### **Human Resources**

Your Company continues to be focused towards employee empowerment. We acknowledge the commitment and dedication of our team. With expanding operations, we continue to build our team, with on-board training across various processes..

### **Cautionary statement**

Estimates and expectations stated in this Management Discussion and Analysis may be a “forward-looking statement” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expected or implied. Important factors that could make a difference to your Company’s operations include economic conditions affecting demand/supply, price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.

#### **MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE DATE OF BALANCE SHEET AND THE DATE OF AUDIT REPORT**

No significant material changes and commitments have occurred between the date of the balance sheet and the date of the audit report

#### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS**

There are no significant and material orders passed by Regulators/Court/Tribunals against the company.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has in place proper and adequate internal control systems commensurate with the nature of its business, size and complexity of its operations. Internal control systems comprising of policies and procedures are designed to ensure liability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations, and that all assets and resources are acquired economically, used.

#### **FUTURE PLAN**

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

#### **Subsidiaries / Joint Ventures**

There are no subsidiaries and Joint venture Companies.

#### **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **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.

## MANAGERIAL REMUNERATION

1. Details of Managerial Remuneration required to be Disclosed in Boards Report as per Section 197(12) of the Companies Act 2013 and read with Rule 5(1) of the Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

Name of the Director	Designation	Remuneration Paid in FY 2015-2016 (in RS)	Remuneration Paid in FY 2014-2015 (in RS)	% increase of remuneration in 2016 as compared to 2015 previous year	Ratio/Times per Median of employee remuneration
S VasanthKumar	Non-executive Director	NIL	NIL	NA	NA
V Paranthaman	Independent Director	NIL	NIL	NA	NA
Chikalpat Yogesh Pai	Wholetime Director	120000	NIL	NA	NA
S Sonaachalam	Independent Director	NIL	NIL	NA	NA
P Parimala	Independent Director	NIL	NIL	NA	NA
**V Ramani	Independent Director	NIL	NIL	NA	NA
K P Appusamy	CEO	72000	NIL	NA	NA
G Narendiran	CFO	60000	NIL	NA	NA

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

There is no employee who is withdrawing remuneration more than 60 Lacs per annum, more than 5 Lacs per month and more than remuneration of Managing Director or Whole Time Director

- The board confirms that the remunerations paid to the directors is as per the remuneration policy.



**2. STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(2) And RULE 5 (3) of COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

**A. Employed throughout the year and in receipt of remuneration in aggregate of not less than Rs. 60 Lakhs per annum**

---- None ----

**B. for part of the year and in receipt of remuneration of more than Rs. 5 Lakhs per month**

---- None ----

**C. If employed throughout the FY or part thereof, was is in receipt of remuneration in excess of that drawn by the Managing Director or WTD or Manager and holds himself or along with his spouse and dependent children, not less than 2% of equity shares of the Company.**

---- None ----

**RISK MANAGEMENT POLICY**

The risk management policy of the company rectifies the risk and controlling mitigating factors. The risk as identified by the company does not threaten the existence of the company

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm:

1. That in the preparation of Annual Accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same.
2. 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.
3. 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.

4. That they have prepared the annual accounts on the 'going concern' basis
5. The Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively
6. The Directors had devised proper system to ensure that systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively

## **DETAILS OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board met 9 (Nine times) on the following dates during the financial year 2015 -16

<b>Date of Board meeting</b>	<b>Few Main Agendas discussed</b>
30 <sup>th</sup> April 2015	Adoption of Un-Audited Quarterly & Annual Financial Results for the year ended 31 <sup>st</sup> March 2015
15 <sup>th</sup> June 2015	Accepted and relieved Mr. V Ramani from the Independent Directorship of the Board of the Company.
23 <sup>rd</sup> July 2015	<p>1.To conduct the Postal Ballot Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, for seeking the approval of Shareholders of the Company by way of Postal Ballot on the following matters:</p> <ol style="list-style-type: none"> <li>a. Modification / Addition of new objects in Object Clause of MOA.</li> <li>b. Adoption of New Articles of Association in conformity with the provisions of the new Companies Act 2013.</li> <li>c. Appointment of Mr. V Paranthaman as an Independent Director of the Company.</li> <li>d. Appointment of Ms. P Parimala as an Independent Woman Director.</li> <li>e. Authorization for Related Parties Transactions;</li> </ol> <p>2. Appointment of Scrutinizer to conduct the</p>

	Postal Ballot in fair and transparent manner.
30 <sup>th</sup> July 2015	Adoption of Unaudited Financial Results for the Quarter ended 30 <sup>th</sup> June 2015
28 <sup>th</sup> August 2015	Adoption of AGM Notice, proposed AGM transactions, draft resolutions, Audited Accounts, Auditors Reports, Notes on Accounts, Annexures to the Auditors Report, Directors Report etc.
30 <sup>th</sup> October 2015	Adoption of Unaudited Financial Results for the Quarter & half yearly ended 30 <sup>th</sup> September 2015
4 <sup>th</sup> December 2015	Business Review
30 <sup>th</sup> January 2016	Adoption of Unaudited Financial Results for the Quarter ended 31 <sup>st</sup> December 2015
24 <sup>th</sup> March 2016	Business Review

#### **CORPORATE GOVERNANCE:**

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

#### **ANNUAL RETURN**

An extract of Annual Return as on 31 March 2016 pursuant to Section 92 ( 3) of the Companies Act, 2013 and forming part of the report is attached separately as **Annexure-A**

#### **CODE OF CONDUCT**

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

#### **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

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

#### **COMMITTEES OF THE BOARD**

Currently, the Board has 5 committees. The Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Corporate Social Responsibility Committee and Stakeholders Relationship committee.

A detailed note on the Board and its committees is provided under the Corporate Governance Report Section in this Report.

Your company has complied with the provisions of Section 177 of the Companies Act, 2013 as to constitution of Audit Committee with Mr. S Sonnachalam, Mrs. P Parimala and Mr. S. Vasanthkumar are being members of the said committee. Mr. V Paranthaman is the Chairman of the committee. The committee met 7 times during the year.

#### **PUBLIC DEPOSIT**

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

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

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

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

All Contracts/arrangements/transactions entered by the company during the financial year 2015-16 with related parties were in the ordinary course of business and on an arm's length basis. Details given in the **Annexure-E**

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

The Companies Act, 2013 lays down a mandatory provision wherein every company having

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

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

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

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

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

(a) Policy relating to selection of directors appointment. -Annexure -C

(B) Remuneration Policy for directors, Key Managerial Personnel and other employees.-  
Annexure-D

## **LISTING**

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

## **DIRECTORS**

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

Mr. S Sonaachalam, Director of the Company retires by rotation at this Annual General meeting and being eligible offers himself for appointment.

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

### **b. Resignation :**

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

Pursuant to the provisions of Section 149 (6) of the Act, the Independent Directors of the Company have submitted their declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year 2015-2016

## **AUDITORS**

Mr. A Saravanan, Chartered Accountants, Tirupur, the Statutory Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting. He was appointed as Auditor of the Company during the transitional period of 3 years at the 20<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September, 2014 subject to ratification by the members at every AGM held after 20<sup>th</sup> AGM. His appointment was ratified at the 21<sup>st</sup> Annual General Meeting held on 29<sup>th</sup> September, 2015 till the conclusion of next Annual General Meeting (23<sup>rd</sup> AGM). The Statutory Auditor has confirmed that his appointment, if made, would be in accordance with the provisions of Sec.141 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014.

He is eligible for ratification/re-appointment from the ensuing AGM till the conclusion of next AGM only as provided in Section 139(2) of the Companies Act, 2013 read with removal of difficulties order dated 30th June, 2016.

The Auditors' Report on the financial statements of the company for financial year ended 31st March, 2016 does not contain any reservation, qualification or adverse remarks and their report together with notes to Financial Statements are self-explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

The Board has appointed Mr.P Thirumalaikumar, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended March 31, 2016 is annexed herewith. Annexure-B.

### **AUDITORS REPORT**

Auditors had not made any qualification or did not make any adverse remark in their report regarding financial statements. Therefore, there is no need for any clarification or any comment on Auditors report.

The observations mentioned in the Secretarial Audit Report by the Secretarial Auditor are self explanatory.

### **SHARE CAPITAL**

During the financial year, the Company had not issued any Equity Shares with Differential rights, any Sweat Equity Shares and any Employee Stock Options.

### **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.

For & On behalf of Board of Directors

**Chikalpat Yogesh Pai**  
WholeTime Director

**S Vasanthkumar**  
Director

DATE : 30.07.2016.  
PLACE: CHENNAI

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

**EXTRACT OF ANNUAL RETURN**  
as on the financial year ended on 31<sup>st</sup> March 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L17120TN1994PLC029226
2	Registration Date	15 <sup>th</sup> December 1994
3	Name of the Company	Archana Software Limited
4	Category / Sub-Category of the Company	Public Company, Limited by Shares
5	Address of the Registered office and Contact Details	Land Marvel Nest, 1 <sup>st</sup> Floor, No.3, 1 <sup>st</sup> Main road, Indira Nagar, Adyar, Chennai – 600020 Phone No. +91-44 6455 5955, Fax: +91-44 2440 5166 website: www.archanasoftware.com, email id: archanasoftware@gmail.com
6	Whether Listed Company	Yes, Listed with BSE
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Sharex Dynamic (India) Pvt Ltd, Unit – 1, Luthra Ind. Premise, Safed Pool, Andheri Kurla Road , Andheri (E), Mumbai – 400 001. Phone: +91 22 – 2851 5606 Fax: +91 22 – 2851 2885 E-mail: sharexindia@vsnl.com

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

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

Sl.No	Name & Description of the Main product	NIC code of the Product	% to the total Turnover of the Company
1.	Computer Programming Consultancy, Related Activities	99733110	Nil
2	Garments Trading	62171010	100





(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0	0
(c). Bodies Corporat es	0	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0		0	0	0			0
(f). Any Other Specify	0	0	0		0	0	0			0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total sharehold ing of Promoter (A) = (A)(1)+(A ) (2)</b>	<b>128361</b>	<b>0</b>	<b>128361</b>	<b>2.116</b>	<b>711101</b>	<b>0</b>	<b>711101</b>	<b>11.72</b>		<b>+9.61</b>
<b>(B) (1). PUBLIC SHAREH OLDING</b>										
(a). Mutual Funds	0	0	0		0	0	0			0
(b). Banks / FI	0	0	0		0	0	0			0
(c). Central Govt.										
(d). State Govt.	0	0	0		0	0	0			0
(e). Venture Capital Funds	0	0	0		0	0	0			0
(f). Insurance	0	0	0		0	0	0			0



Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	290	0	290	0.005	590	0	590	0.01	+0.005
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>3616139</b>	<b>2322200</b>	<b>5938339</b>	<b>97.884</b>	<b>3034799</b>	<b>2320800</b>	<b>5355599</b>	<b>88.279</b>	<b>-9.605</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>3616139</b>	<b>2322200</b>	<b>5938339</b>	<b>97.884</b>	<b>3034799</b>	<b>2320800</b>	<b>5355599</b>	<b>88.279</b>	<b>-9.605</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>3744500</b>	<b>2322200</b>	<b>6066700</b>	<b>100.00</b>	<b>3745900</b>	<b>2320800</b>	<b>6066700</b>	<b>100.00</b>	<b>0</b>

(ii) Shareholding of Promoters

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	S VASANTH KUMAR	128361	2.116	0	711101	11.72	0	9.61

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

SI No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of the Year 31/03/2016			% of total Shares of the company
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	
1	VASANTH KUMAR S	1283610	2.12	01/04/2015			128361	2.12
				19/05/2015	(+)432740	Transfer	432700	7.13
				19/10/2015	(+)150000	Transfer	150000	2.47
	-Closing Balance			31/03/2015			711101	11.72

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

sr .no	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increasing / Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company
1	SANKAR HOMES PVT LTD	600000	9.89	01/04/2015	0	--	0	0
	-Closing Balance			31/03/2016			600000	9.89
2	SANKAR HOMES PRIVATE LIMITED	432740	7.133	01/04/2015				
				19/05/2015	(-) 432740	sale	432740	7.133
	-Closing Balance			31/03/2016			0	0
3	MONT BLANC FINANCIAL SERVICES LTD	136300	2.247	01/04/2015				
	-Closing Balance			31/03/2016			136300	2.247
4	R SUMER CHAND BAFNA	50000	0.824	01/04/2015				
	-Closing Balance			31/03/2016			50000	0.824
5	SAWHNEY DEEPAK	182275	3.005	01/04/2015				
	-Closing Balance			31/03/2016			182275	3.005
6	S KALIAPPAN	508200	8.377	01/04/2015				
	-Closing Balance			31/03/2016			508200	8.377
7	DIPAK RAJ	55000	0.907	01/04/2015				
	-Closing Balance			31/03/2016			55000	0.907
8	RAJSANKAR R	52200	0.860	01/04/2015				
	-Closing Balance			31/03/2016			52200	0.860
9	K R JAIN	40500	0.668	01/04/2015				

	<b>-Closing Balance</b>			31/03/2016			40500	0.668
<b>10</b>	<b>VALLABAI R</b>	150000	2.473	01/04/2015				
				19/10/2015	(-) 150000	sale	150000	2.473
	<b>-Closing Balance</b>			31/03/2016			0	0

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

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 01/04/2015		Cumulative Shareholding during the year 31/03/2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>S VasanthKumar</b> Promoter Director				
	At the beginning of the year	128361	2.116%		

Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	19/05/2015				
	19/10/2015	432740	7.13%	561101	9.25%
		150000	2.47%	711101	11.72%
At the End of the year	711101	11.72%	711101	11.72%	

## V. INDEBTEDNESS

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



<b>Change in Indebtedness during the financial year</b>				
· Addition·	NIL	NIL	NIL	NIL
Reduction	NIL	NIL	NIL	NIL
<b>Net Change</b>	NIL	NIL	NIL	NIL
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	NIL	NIL	NIL	NIL

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

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

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

**B. Remuneration to other directors:**

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

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

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	72,000/-  NIL  NIL	NIL  NIL  NIL	60,000/-  NIL  NIL	1,32,000/-  NIL  NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL NIL	NIL NIL	NIL NIL	NIL NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>72,000/-</b>	<b>NIL</b>	<b>60,000/-</b>	<b>1,32,000/-</b>

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

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

For & On behalf of Board of Directors

**Chikalpat Yogesh Pai**  
WholeTime Director

**S Vasanthkumar**  
Director

DATE : 30.07.2016  
PLACE: CHENNAI

**ANNEXURE-C**

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

**1) Introduction**

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

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

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

**2) Scope and Exclusion**

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

**3) Terms and References**

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

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

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

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

**4) Policy**

**d) Qualifications and criteria**

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

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

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

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

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

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

e) Criteria of Independence

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

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

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

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

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

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

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

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

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

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

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

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

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

Other directorships / committee memberships

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

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

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

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



**ANNEXURE -D**

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

**1. Introduction**

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

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

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

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

**2. Scope and Exclusion:**

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

**3. Terms and References:**

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

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

III.2 “Key Managerial Personnel” means

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

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer; and

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

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

**4. Policy:**

4.1 Remuneration to Executive Directors and Key Managerial Personnel

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

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

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

(i) Basic Pay

(ii) Perquisites and Allowances

(iii) Stock Options

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

(v) Retirement benefits

(vi) Annual Performance Bonus

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

#### 4.2 Remuneration to Non-Executive Directors.

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

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

#### 4.3 Remuneration to other employees

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

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

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

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

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

Name of the related party and nature of relationship	Nature of Contracts / arrangements / transactions	Duration of the Contracts / arrangements / transactions	Salient terms of the Contracts / arrangements / transactions including the value, if any	Date of approval by the Board	Amount paid as Advance
Shakthi Knitting Limited	for sale, purchase of goods and to provide / avail services to / from Archana Software Limited, a related party, subject to a maximum aggregate transactions of Rs. 50 Crores in a financial year	Every 12 months	<p><b><u>Nature:</u></b> Sale, Purchase of goods, materials, equipments etc and rendering / providing / availing services including but not limited to Engineering services, manpower and support services, Software testing &amp; Maintenance services and sharing of costs of certain common facility related services</p> <p><b>For Sale / Purchase of Goods, Materials, Equipments etc</b> <b><u>On a cost plus mark-up basis:</u></b> The customer shall pay to the supplier all relevant Direct and Indirect costs (Including the overhead costs, other allocable costs and such other category of costs as mutually agreed to by both the Parties) plus an appropriate mark-up up to 15% determined in adherence to the arm's length principle. The mark-up shall be determined on a year to year basis.</p> <p><b><u>On Profit Split basis:</u></b> Where the buyer purchase goods, materials, equipment from the Supplier for supplying it to a Third party customer under an independent execution contract ('Project'), the Customer shall pay to the Supplier all relevant Direct and Indirect costs (including the overhead costs, other</p>	30 <sup>th</sup> January 2016	NIL

			<p>allocable costs and such other category of costs as mutually agreed to by both the Parties) of manufacturing/sales/supply/purchase, plus a proportion of the total profit earned by the Customer under the Project, to be allocated on certain parameters mutually agreed to by both the Parties.</p> <p><b><u>On Comparable Uncontrolled Prices (CUP) basis:</u></b></p> <p>Where the supplier is selling the product in the market to an unrelated party customer including The contracts with the said Related party shall be in effect and shall Continue unless terminated by either Party with a notice period of Three (3) month Upto Rs. 50 cores in aggregate, in any financial year distributor, the Customer shall pay to the Supplier as per the published distributor price list</p> <p>The contracts with the said related party shall be in effect and shall continue unless Terminated by either Party with a notice period of Three (3) month</p>		
--	--	--	---	--	--

For & On behalf of Board of Directors

**Chikalpat Yogesh Pai**  
WholeTime Director

**S Vasanthkumar**  
Director

DATE : 30.07.2016.  
PLACE: CHENNAI



**P Thirumalai Kumar**, B.com, BL, ACS, AICWA

Practicing Company Secretary

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

For The Financial Year Ended 31st March, 2016

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

The Members

**M/s. Archana Software Limited**

'Land Marvel Nest', F-I, 3,  
First Main Road, Indira Nagar,  
Adyar, Chennai – 600 020.

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, subject to observations annexed herewith, the during the audit period ended on 31st March, 2016 ( ‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Archana Software Limited for the period ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Companies Act, 1956 ( to the extent applicable);
- III. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- V. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- VI. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent applicable to the Company :-



- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
- d. The Securities and Exchange Board of India ( Listing Obligations and Disclosure Requirements) Regulations 2015 (with effect from 1<sup>st</sup> December 2015;
- e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India ( Share Based Employee Benefits ) Regulations, 2014 notified on 28th October, 2014;
- f. The Securities and Exchange Board of India (Issue and Listing of Debt Securities ) Regulations, 2008 ;
- g. The Securities and Exchange Board of India ( Registrars to an Issue and Share Transfer Agents ) Regulations, 1993 regarding the Companies Act and dealing with Client;
- h. The Securities and Exchange Board of India ( Delisting of Equity Shares ) Regulations 2009 and;
- i. The Securities and Exchange Board of India ( Buyback of Securities ) Regulations 1998;

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India
- ii) The Listing Agreements entered into by the Company with the Stock Exchange.

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

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

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

I further report that:

*According to information received and examination of records of the company the Post of Company Secretary has been vacant during the Financial Year 2015-2016.*

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



**P Thirumalai Kumar**, B.com, BL, ACS, AICWA

Practicing Company Secretary

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

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

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

**P Thirumalai Kumar**

ACS No.13376

COP No. 9919

Place: Chennai

Date : 27<sup>th</sup> May 2016



**P Thirumalai Kumar**, B.com, BL, ACS, AICWA

Practicing Company Secretary

**ANNEXURE – II**

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

My report of even date is to be read along with this letter.

- a. Maintenance of secretarial and other records is the responsibility of the management of the Company. My responsibility is to express an opinion on the relevant records based on my audit.
- b. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the relevant records and compliances. The verification was done on test basis to verify that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- c. I have not verified the correctness and appropriateness of financial and tax records and books of accounts of the Company.
- d. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- e. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- f. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**P Thirumalai Kumar**  
Practicing Company Secretary  
ACS No.13376  
COP No. 9919

Place: Chennai  
Date : 27<sup>th</sup> May 2016



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015

### A. Philosophy on Code of Governance:

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

Your company's policy on governance has been

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

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

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

### B. Board of Directors

**Composition & Category of Directors as on 31<sup>st</sup> March 2016 is as follows:**

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

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

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

The Board met 9 ( Nine times) on the following dates during the financial year 2015 -2016

Date of Board meeting	Few Main Agendas discussed
30 <sup>th</sup> April 2015	Adoption of Un-Audited Quarterly & Annual Financial Results for the year ended 31 <sup>st</sup> March 2015
15 <sup>th</sup> June 2015	Accepted and relieved Mr. V Ramani from the Independent Directorship of the Board of the Company.
23 <sup>rd</sup> July 2015	1.To conduct the Postal Ballot Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management

	<p>and Administration) Rules, 2014, for seeking the approval of Shareholders of the Company by way of Postal Ballot on the following matters:</p> <p>a. Modification / Addition of new objects in Object Clause of MOA.</p> <p>b. Adoption of New Articles of Association in conformity with the provisions of the new Companies Act 2013.</p> <p>c. Appointment of Mr. V Paranthaman as an Independent Director of the Company.</p> <p>d. Appointment of Ms. P Parimala as an Independent Woman Director.</p> <p>e. Authorization for Related Parties Transactions;</p> <p>2. Appointment of Scrutinizer to conduct the Postal Ballot in fair and transparent manner.</p>
30 <sup>th</sup> July 2015	Adoption of Unaudited Financial Results for the Quarter ended 30 <sup>th</sup> June 2015
28 <sup>th</sup> August 2015	Adoption of AGM Notice, proposed AGM transactions, draft resolutions, Audited Accounts, Auditors Reports, Notes on Accounts, Annexures to the Auditors Report, Directors Report etc.
30 <sup>th</sup> October 2015	Adoption of Unaudited Financial Results for the Quarter & half yearly ended 30 <sup>th</sup> September 2015
4 <sup>th</sup> December 2015	Business Review
30 <sup>th</sup> January 2016	Adoption of Unaudited Financial Results for the Quarter ended 31 <sup>st</sup> December 2015
24 <sup>th</sup> March 2016	Business Review

The Company has Executive and Independent directors. None of the Directors on the board is a member on more than 10 committees across all the companies in which they are Directors.

The composition of the Board as on 31<sup>st</sup> March 2016 as well as names and categories of the directors on the board, their attendance at Board Meetings held during the financial year 2015 – 2016 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
Mr. Chikalpat Yogesh Pai	Whole Time Director	-	Shakthi Knitting Limited-Director	9	Yes
Mr. S Vasanthkumar	Non Executive Director	-	Shakthi Knitting Limited-Managing Director	9	No
Mr. S Sonnachalam	Independent Director	-	Shakthi Knitting Limited-Director	9	No
*Mr. V Paranthaman	Independent Director	-	-	9	Yes
*Ms. P Parimala	Independent Women Director	-	-	9	No
**Mr. V. Ramani	Independent Director	-	-	0	NA

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

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

### C. Committees of the Board:

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

## **1. Nomination & Remuneration Committee:**

### **Term of reference:**

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

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

For the year ended 31<sup>st</sup> March 2016 the committee met on the following dates:

30<sup>th</sup> April 2015, 15<sup>th</sup> June 2015, 30<sup>th</sup> July 2015, 30<sup>th</sup> October 2015, 28<sup>th</sup> December 2015, 17<sup>th</sup> January 2016 and 24<sup>th</sup> March 2016.

### **Composition:**

Name of the members:

Mr. S.Sonaachalam - Chairman

Mr. Chikalpat Yogesh Pai - Member

Mr. V Paranthaman - Member

Mrs. P Parimala - Member

### **Directors' Remuneration paid**

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

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

## **2. Audit committee:**

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

1. To provide direction and to oversee the operations of the audit functions in the company.
2. To review the adequacy of internal control system and internal audit function with special emphasis on their quality and effectiveness.
3. To review half yearly and annual financial results before submission to the Board for approval.
4. To investigate into any matter in relation to the items specified in Section 177 of the companies Act 2013.
5. To have full access to information contained in the records of the company and external professional advice, if necessary.
6. To oversee the company's financial process and the disclosure of its financial information to ensure that the financial statements are true and fair.
7. To discuss with statutory auditors before commencement of audit about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

**b)Composition:**

The composition of the Committee as on 31<sup>st</sup> March 2016 as well as their attendance at the Meetings held during the financial year 2015 – 2016 as follows:

Name of Member	Designation	No of Meetings attended
Mr. V Paranthaman	Chairman	7
Mr. S Sonaachalam	Member	7
Mr. S Vasanthkumar	Member	7
Ms. P Parimala	Member	7
Mr. V Ramani *	Member	0

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

The audit committee of directors had met 7 times during the period under review and the meetings were held on:

30<sup>th</sup> April 2015, 15<sup>th</sup> June 2015, 30<sup>th</sup> July 2015, 30<sup>th</sup> October 2015, 28<sup>th</sup> December 2015, 17<sup>th</sup> January 2016 and 24<sup>th</sup> March 2016.

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

Mr. V Paranthaman was present at the last Annual General Meeting held on 29<sup>th</sup> September 2015.

**3. Shareholders'/Investors Grievance Committee:****Terms of reference:**

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

They periodically reviewed the investors complaints received and redressed. During the year, the said committee met 7 times on 30<sup>th</sup> April 2015, 15<sup>th</sup> June 2015, 30<sup>th</sup> July 2015, 30<sup>th</sup> October 2015, 28<sup>th</sup> December 2015, 17<sup>th</sup> January 2016 and 24<sup>th</sup> March 2016 to review the shareholders'/investors' grievances.

**b) Composition and Attendance:**

Name of Member	Designation	No of Meetings attended
Ms. P Parimala	Chairman	7
Mr. S Sonaachalam	Member	7
Mr. S Vasanthkumar	Member	7
Mr. V Paranthaman	Member	7
Mr. V Ramani *	Member	0

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

Name, Designation and address of Compliance Officer:

**Mr. C.Yogesh Pai**

Director,

Archana Software Limited,

'Land Marvel Nest', F-I,

3, First Main Road,

Indira Nagar, Adyar,

Chennai – 600 020.

Status of Investors complaints as on March 31, 2016 are as under:

Complaints as on April 1, 2015 - Nil

Received during the year - 2

Resolved during the year - 2

Pending as on March 31, 2016 - Nil

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

#### **4. Share Transfer Committee:**

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

#### **5. Corporate Social Responsibility Committee:**

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

Date of Meetings: (Total no. of meetings – 4) 30<sup>th</sup> April 2015, 30<sup>th</sup> July 2015, 30<sup>th</sup> October 2015 and 30<sup>th</sup> January 2016

Composition:

<b>Name of the Members</b>	<b>No of Meetings Attended</b>
Mr. S Sonnachalam- Chairman	4
*Mr. V Ramani- Member	0
Mrs. P Parimala-Member	4
Mr. P Paranthaman – Member	4

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

#### **6. Whistle Blower Protection Committee:**

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

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

Name of the Members	No of Meetings Attended
Mr. S Sonnachalam- Chairman	4
**Mr. V Ramani- Member	0
Mr. P Paranthaman - Member	4

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

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

### 7. Details of General Body Meeting:

Year	Location	Date	Time
2010-11	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2011	10.00 A.M
2011-12	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2012	10.00 A.M
2012-13	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	27.09.2013	10.00 A.M
2013-14	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2014	10.00 A.M
2014-15	N.M.S. Marriage Hall, No 61F, Main Road, Velacherry, Chennai 42	29.09.2015	10.00 A.M

### 5. Disclosures:

Subsidiary Company:

There is no subsidiary company nor holding company.

### 6. Means of Communication:

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

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

c. The Management Discussion and Analysis Report for the year 2015-2016 forms part of the Annual Report.

### 7. General Shareholder Information

**1. AGM: Date, time and venue** : 20.09.2016, 11.00 AM  
N.M.S. Marriage hall,  
61f, Main Road,  
Vellachery,  
Chennai-600 042.

**2. Date of Book Closure** : 14.09.2016 to 20.09.2016 (both days inclusive)

**3. Tentative dates of Board Meetings  
for considering the results (2016-2017):**

1<sup>st</sup> Quarter, last week of July 2016  
2<sup>nd</sup> Quarter, last week of October 2016  
3<sup>rd</sup> Quarter, last week of January 2017  
4<sup>th</sup> Quarter, last week of April 2017

**4. Your Company's Shares is listed in  
the following stock exchange**

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001

**5. Registrar and Share Transfer Agents**

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

**6. Share Transfer System**

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

**7. Dematerialization of shares and liquidity:**

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

As on 31<sup>st</sup> March 2016, out of total 60,66,700 equity shares of the company 37,45,900 shares representing 61.74% of total shares have been dematerialized. The detailed breakup of shares as on 31<sup>st</sup> March 2016 is as follows:

Particulars	No of Shares	%
CDSL	457775	7.55%
NSDL	3288125	54.20%
Physical	2320800	38.25%
Total	6066700	100.00%

**8. Stock Market Data**

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

Month	The Bombay Stock Exchange	
	High (Rs.)	Low(Rs.)
April 2015	2.00	1.74
May 2015	1.98	1.63
June 2015	1.71	1.33
July 2015	1.27	0.88



August 2015	1.20	0.92
September 2015	2.46	1.26
October 2015	3.09	2.58
November 2015	3.93	3.03
December 2015	3.93	3.60
January 2016	4.92	3.92
February 2016	3.77	3.07
March 2016	2.92	2.32

### 9. Distribution of shareholding as on 31<sup>st</sup> March 2016

**Total Nominal Value:**

Nominal value of each equity share Rs.10 each

**Total number of Equity shares: 6066700**

Type of Shareholder	No. of Shareholder	Total No. of Share	No. of Share in Demat	% of Holding
Individual - Promoter	1	711101	711101	11.72
Public Shareholding	51	798055	198255	13.16
a)Body Corporates				
b)Individuals	6557	4555544	2834844	75.09
c) Clearing Members	1	590	590	0.01
d) NRIs	4	1410	1410	0.02
<b>Total</b>	<b>6614</b>	<b>6066700</b>	<b>3745900</b>	<b>100.00</b>

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

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

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

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANACE

To

The Shareholders  
M/s.Archana Software Limited

I have examined the Compliance of Conditions of Corporate Governance by Archana Software Limited, Chennai, as stipulated in clause 49 of the Listing Agreement entered into by the company with the Stock Exchanges for the period 1<sup>st</sup> April 2015 to 30<sup>th</sup> September 2015 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the period 1<sup>st</sup> December 2015 to 31<sup>st</sup> March 2016.

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 my opinion and to the best of my 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 & Regulations

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.

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

**Chartered Accountant**

**(M.No. 026101)**

Place: Chennai

Date: 30.07.2016

## **Declaration of Code of Conduct**

To

The members of M/s Archana Software Limited

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

It is further confirmed that all the directors and senior management personnel of the Company have affirmed compliance with the code of conduct of the company for the year ended 31<sup>st</sup> March 2016, as envisaged in clause 49 of the Listing Agreement with Stock Exchange and in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Chikalpat Yogesh Pai  
**WHOLE TIME DIRECTOR**

Place: Chennai  
Date: 30.07.2016

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

We, to the best of our knowledge and belief certify that:-

1. We 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 our 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. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by M/s Archana Software Limited which are fraudulent, illegal or in violation of the Company's Code of Conduct.

3. We are responsible for establishing and maintaining internal controls and procedures for the Company pertaining to financial reporting, and have evaluated the effectiveness of these procedures in M/s Archana Software Limited. We have disclosed to the auditors and Audit Committee, deficiencies, if any, in the design or operation of such internal controls, of which we are aware and the steps that we have taken or propose to take to rectify these deficiencies.

4. We have disclosed, based on our 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 we 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. We affirm that We have not denied any personnel, access to the Audit Committee of Company (in respect of matters involving misconduct, if any).

6. We further declare that all the Board members and Senior Management have affirmed compliance with Code of Conduct for the current year.

G Narendiran  
**Chief Financial Officer**

Chikalpat Yogesh Pai  
**Whole Time Director**

Place: Chennai

Date: 30.07.2016

## **INDEPENDENT AUDITOR'S REPORT**

To

The Members of M/s. Archana Software Limited

Chennai

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

I have audited the accompanying financial statements of **M/s. Archana Software Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

### **Auditor's Responsibility**

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

I conducted the audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

(e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and

**A.Saravanan, B.com., F.C.A.,**

Chartered Accountant (M.No. 026101)

Place: Chennai

Date: 30.07.2016

**Annexure to the Independent Auditors' Report**

The Annexure referred to in my Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, I report that:

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

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

c. The company do not own any immovable property on its own.

(ii) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification. 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.

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

(iv) The Company has not given loans, made investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013.

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

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

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

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

(ix) The company had not raised moneys by way of public offer or debt instruments.

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

(xi) The company had not paid or provided Managerial Remuneration and hence the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 is not applicable

(xii) The Company is not a Nidhi Company, hence not applicable

(xiii) In my opinion and according to the information and explanations given to me, the transactions with the related parties were in accordance with sections 177 and 188 of the Companies Act, 2013

(xiv) The company had not made any preferential allotment or private placement of shares or fully or partly convertibles debentures during the year under review.

(xv) The Company had not entered in to any non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

A.SARAVANAN, B.COM., F.C.A.,

Chartered Accountant (M.No: 026101)

Place: Chennai

Date: 30.07.2016.



## BALANCE SHEET AS AT 31ST MARCH 2016

Particulars		Note No	As at 31 March, 2016	As at 31 March, 2015
			Amount (Rs.)	Amount (Rs.)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	1	60,439,500	60,439,500
	(b) Reserves and surplus	2	-35,165,838	-34,136,616
<b>2</b>	<b>Non-current liabilities</b>			
	(b) Deferred tax liabilities (net)	3	3,435,606	3,413,957
<b>3</b>	<b>Current liabilities</b>			
	(b) Trade payables	4	1,092,946	1,065,985
	(c) Other current liabilities	5	25,422	41,397
	<b>TOTAL</b>		<b>29,827,636</b>	<b>30,824,223</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Fixed assets			
	(i) Tangible assets	6	80,101	90,459
	(b) Non-current investments	7	4,000	4,000
<b>2</b>	<b>Current assets</b>			
	(b) Inventories	8	8,976,770	8,855,321
	(c) Trade receivables	9	12,550,672	13,533,723
	(d) Cash and cash equivalents	10	155,227	287,885
	(e) Short-term loans and advances	11	8,060,865	8,052,834
	<b>TOTAL</b>		<b>29,827,636</b>	<b>30,824,223</b>

For and on behalf of the Board of Directors

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

Chikalpat Yogesh  
Pai  
Whole Time  
Director

S.Vasanth Kumar  
Director

S.Sonaachalam  
Director

Place : Chennai  
Date :30.07.2016

## Statement of Profit and Loss for the year ended 31 March, 2016

Particulars		Note No.	As at 31 March, 2016	As at 31 March, 2015
			Amount(Rs.)	Amount(Rs.)
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
<b>1</b>	Revenue from Operation	12	19,228,813	54,910,216
	Other Income			
	<b>Total revenue</b>		<b>19,228,813</b>	<b>54,910,216</b>
<b>2</b>	<b>Expenses</b>			
	(a) Cost of materials consumed	13	18,534,208	51,543,841
	(f) Depreciation and amortization expense	6A	10,358	1,023,390
	(g) Other expenses	14	1,691,819	2,388,810
	<b>Total expenses</b>		<b>20,236,385</b>	<b>54,956,041</b>
	<b>Profit / (Loss) before extraordinary items and tax</b>		<b>(1007572)</b>	<b>(45825)</b>
	<b>Profit / (Loss) before tax</b>		<b>(1007572)</b>	<b>(45825)</b>
	<b>Tax expense:</b>		21649	(288267)
	<b>Profit / (Loss) from continuing operations</b>		<b>(1029221)</b>	<b>242,442</b>

For and on behalf of the Board of Directors

A.SARAVANAN.B.Com.,F.C.A.,  
Chartered Accountant (M.No 026101)Chikalpat  
Yogesh Pai  
Whole Time  
DirectorS.Vasanth Kumar  
DirectorS.Sonaachalam  
Director

Place : Chennai

Date :30.07.2016

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As on 31.03.2016 Rs	As on 31.03.2015 Rs
<b><u>Note - 1</u></b>		
<b><u>Authorised Share Capital</u></b>		
70,00,000 Equity Shares of RS.10/- each	<b>70,000,000</b>	<b>70,000,000</b>
<b><u>Issued Subscribed and Paid up</u></b>		
60,66,700 Equity Shares of Rs.10/- each	60,667,000	60,667,000
6066700 Equity share of Rs.10/-each	60,667,000	60,667,000
Less: calls unpaid	227,500	227,500
	<b>60,439,500</b>	<b>60,439,500</b>
<b><u>Note - 2: Reserves and surplus</u></b>		
General Reserves	250,000	250,000
<b><u>Profit &amp; loss</u></b>		
Profit/(Loss) at the Beginning of the year	(64,826,117)	(65,068,559)
Add : Current Year Profits/(Loss)	(1,029,221)	242,442
	<b>(65,855,338)</b>	<b>(64,826,117)</b>
<b><u>Other Reserves</u></b>		
Share premium	30,667,000	30,667,000
Less: calls unpaid	(227,500)	(227,500)
	30,439,500	30,439,500
<b><u>Net Reserves and surplus</u></b>	<b>(35,165,838)</b>	<b>(34,136,616)</b>
<b><u>Note - 3: Deferred tax (liability) assets</u></b>		
Deferred Tax	3,435,606	3,413,957
Net Deferred tax (liability) assets	<b>3,435,606</b>	<b>3,413,957</b>
<b><u>Note -4 : Trade Payables</u></b>		
Sundry Creditors:	1,092,946	1,065,985
	<b>1,092,946</b>	<b>1,065,985</b>
<b><u>Note - 5 : Other Current liabilities</u></b>		
Audit Fee - Payable	20,000	40,000
TDS Payable	5,422	1,397

<b>Total</b>	<b>25,422</b>	<b>41,397</b>
<b><u>Note -7 : Investments</u></b>		
Other Non current investment (specif nature)	4,000	4,000
Investment on share (Zenith Golbal consultant ltd)	<b>4,000</b>	<b>4,000</b>
<b><u>Note -8 : Inventories</u></b>		
Stock on Hand	8,976,770	8,855,321
	<b>8,976,770</b>	<b>8,855,321</b>
<b><u>Note -9 : Trade Receivables</u></b>		
Debts due exceeding Six Months	12,550,672	13,533,723
Others		
	<b>12,550,672</b>	<b>13,533,723</b>
<b><u>Note -10 : Cash and Cash equivalents</u></b>		
Cash in hand	62,236	62,236
Cash at Bank - With Scheduled Banks		
In Current account	92,991	225,649
	<b>155,227</b>	<b>287,885</b>
<b><u>Note - 11 : Short Term Loans and Advances</u></b>		
Security deposits : Secured considered good	210,000	210,000
Others:		
Secured, considered good -Advance to Others	7,850,865	7,842,834
	<b>8,060,865</b>	<b>8,052,834</b>

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

Particulars	As on 31.03.2016 Rs	As on 31.03.2015 Rs
<b><u>Note - 12 : Revenue from operations:</u></b>		
Sale of Fabric	19,228,813	54,910,216
Sale of Yarn		
<b>Total</b>	<b>19,228,813</b>	<b>54,910,216</b>
<b><u>Note - 13: Cost of Materials consumed</u></b>		
Opening stock of Rawmaterials	8,855,321	9,058,815
ADD: Purchases during the year	18,655,657	51,340,347
LESS: Closing stock	8,976,770	8,855,321
Raw Material Consumed	<b>18,534,208</b>	<b>51,543,841</b>
<b><u>Note - 14: Other Expenses</u></b>		
Certification Charges	0	8,750
Advertisement Charges	136,659	1,250
Annual custody fees	84,106	41,303
Annual listing fees	224,720	780,725
Audit Fee & Expenses	25,000	24,200
Bank charges	100	160
E-TDS Filing Charges	158	101
Office Expenses	7,500	5,020
Printing & Stationery	5,473	459
Salary	415,990	435,606
Service charges	139,510	128,009
Postage & Telegram Charges	214,444	391,894
Rent	27,500	24,000
ROC Filing Charges	46,300	7,800
Professional Charges	167,850	522,750
Share Transfer Fees	2,800	1,180
Travelling & Local Conveyance expenses	193,710	15,603
	<b>1,691,819</b>	<b>2,388,810</b>

## DEPRECIATION AS PER COMPANIES ACT FOR THE YEAR ENDED 31.03.2016

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK
	AS AT 31.03.15	ADDITIONS	DELETIONS	AS AT 31.03.16	UPTO 31.03.15	CURRENT YEAR	AS AT 31.03.16	AS AT 31.03.16
Office Equipments	802,107.00	0.00	0.00	802,107.00	762,001.65	0.00	762,001.65	40,105.35
Furniture & Fittings	615,082.00	0.00	0.00	615,082.00	584,328.16	0.00	584,328.16	30,753.84
Air Conditioner	85,000.00	0.00	0.00	85,000.00	76,712.42	4,038.00	80,750.42	4,249.58
Computer	993,016.00	0.00	0.00	993,016.00	993,016.00	0.00	993,016.00	0.00
Electrical & Fittings	99,839.00	0.00	0.00	99,839.00	88,527.25	6,320.00	94,847.25	4,991.75
<b>TOTAL</b>	<b>2,595,044.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,595,044.00</b>	<b>2,504,585.48</b>	<b>10,358.00</b>	<b>2,514,943.47</b>	<b>80,100.52</b>

**Depreciation Schedule as per IT Act for  
the FY 2015-16**

Amount(Rs.)

Description	Rate	As ON 01.04.15	Additions		Total Additions	Deletions	Balance as on 31.03.2016	Current Depreciation	Balance as on 31.03.2016
			> 180 days	< 180 days					
Furniture & Fittings	10%	709,896	-	-	-	-	709,896	70,990	638,907
Office Equipments	15%	37,100	-	-	-	-	37,100	5,565	31,535
Air Conditioner	15%	23,161	-	-	-	-	23,161	3,474	19,687
Computer	60%	651	-	-	-	-	651	390	260
<b>Total</b>		<b>770,808</b>	-	-	-	-	<b>770,808</b>	<b>80,419</b>	<b>690,389</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDING 31.03.2016

Particulars	As on 31.03.16 Rs	As on 31.03.15 Rs
<b>A. Cash Flow from Operation Activities</b>		
Net Profit before tax and extraordinary items	-1,007,572	-45,825
Adjustments for:		
Depreciation	10,358	1,023,390
Foreign Exchange Investment		
Interest/Dividend		
Operating profit before working capital changes		
Operating Profit before working capital charges	<b>-997,214</b>	<b>977,565</b>
Adjustments for:		
Trade and other receivable	983,051	73,679,289
Inventories	-121,449	203,494
Trade payable	10,986	-96,167,036
Loans & advances	-8,031	21,450,000
Cash generated from operations	-132,657	143,312
Interest paid	0	0
Direct taxes paid	0	0
Cash flow before extraordinary item	-132,657	143,312
Extraordinary item (Net)		
<b>Net Cash from operating activities</b>	<b>-132,657</b>	<b>143,312</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Fixed Assets	0	0
Sales of Fixed Assets	0	0
Acquisition of companies (as per annexure)	0	0
Purchase of Investments	0	0
Interest Received	0	0
Dividend Received	0	0
<b>Net Cash used in Investing Activities</b>	<b>0</b>	<b>0</b>
<b>C. Cash flow from Finance Activities</b>		
Proceeds from issue of share capital	0	0
Proceeds from long term borrowings	0	0
Repayment of finance lease		



liabilities		
Dividend paid	0	0
<b>Net Cash used in Finance Activities</b>	<b>0</b>	<b>0</b>
<b>Net Increase in Cash &amp; cash equipment [A+B+C]</b>	-132,657	143,312
<b>Cash and cash equivalent as at (Opening balance)</b>	287,885	144,573
<b>Cash and cash equivalent as at (Closing balance)</b>	155,227	287,885
<p>A.SARAVANAN.B.Com.,F.C.A., Chartered Accountant (M.No 026101) Place : Chennai Date :30.07.2016</p> <p>Chikalpat Yogesh Pai Whole Time Director</p> <p>S.Vasanth Kumar Director</p> <p>S.Sonaachalam Director</p>		

## SCHEDULE 'G'

### A. Significant Accounting Policies:

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

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

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

#### 2. Fixed Assets:

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

Depreciation is provided as per Companies Act 2013.

#### 3. Revenue Recognition:

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

#### 4. Income From operation:

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

#### 5. Related Party Disclosures:

Particulars of transactions with related parties during the year

##### Purchase of Goods

From Shakthi Knitting Limited      Rs.96,46,750

##### Sale of Goods

To Shakthi Knitting Limited      Rs.89,82,644

#### 6. Segment information for the year ended 31<sup>st</sup> March, 2016

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

**7. Earnings Per Share**

	<b>2015 - 16</b>	<b>2014 - 15</b>
a. Weighted averages number of Equity Shares of Rs.10/- each		
i. number of shares at the beginning of the year	60,43,950	60,43,950
ii. number of share at the end of the year	60,43,950	60,43,950
Weighted average number of equity Share outstanding during the year	61,43,425	61,43,425
a. Net Profit/(Loss) available for equity shareholders	(10,29,221)	2,42,442
b. Basic and diluted earnings per Share (in Rupees)		
EPS (diluted)	NIL	NIL

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

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

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

3. Payment to auditors

	31.03.2016	31.03.2015
	(Rs.)	(Rs.)
Audit Fees	20,000	20,000
Taxation Work	-	-
<b>TOTAL</b>	<b>20,000</b>	<b>20,000</b>

4. For the year-ended 31.03.2016, 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**

Place: Chennai

Date: 30.07.2016.

Chikalpat Yogesh Pai  
Whole Time director

S.Vasanth Kumar  
Director

S.Sonaachalam  
Director

**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 | 6

**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**

2 | 9 | 8 | 2 | 7

**Total Assets**

2 | 9 | 8 | 2 | 7

**Source of Funds**

**Paid up Capital**

6 | 0 | 4 | 3 | 9

**Reserves & Surplus**

- | 3 | 5 | 1 | 6 | 5

**Secured Loans**

N I L

**Unsecured Loans**

N I L

**Application of Funds**

**Net Fixed Assets**

						8	0
--	--	--	--	--	--	---	---

**Investments**

							4
--	--	--	--	--	--	--	---

**Net Current Assets**

		2	8	6	2	5
--	--	---	---	---	---	---

**Misc. Expenditure**

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

**Accumulated Losses**

--	--	--	--	--	--	--	--

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

**Turnover**

		1	9	2	2	8
--	--	---	---	---	---	---

**Total Expenditure**

		2	0	2	3	6
--	--	---	---	---	---	---

**Profit /Loss before tax**

		-	1	0	0	7
--	--	---	---	---	---	---

**Profit After Tax**

		-	1	0	2	9
--	--	---	---	---	---	---

**Earnings per Share in Rs.**

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

**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**

Chikalpat Yogesh Pai  
Whole Time director

S.Vasanth Kumar  
Director

S.Sonaachalam  
Director

**CHENNAI,**

**30.07.2016.**