

EIGHTH ANNUAL REPORT

2001-2002

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ARCHANA SOFTWARE LIMITED

Regd. Office: 48, South Boag Road, T.Nagar, Chennai - 600 017.

Admn. Office : 9, Bishop Wallers Avenue (E), Mylapore, Chennai - 600 004.

ARCHANA SOFTWARE LIMITED

Board of Directors:

D.Ravisankar
Director

V.P.Ramanathan
Director

R.Rajasankar
Director

S.A. Krishnan
Director

Auditors

M/s. Krishnan & Sekaran
Chartered Accountants
43/GD, II Main Road,
Gandhi Nagar
Adyar, Chennai - 600 020.

Bankers

Tamilnad Mercantile Bank Ltd.
T.T.K. Road, Chennai - 600 014.

Global Trust Bank Ltd.
Mylapore, Chennai - 600 004.

Lord Krishna Bank
Teynampet, Chennai - 600 018.

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

Registered Office

48, South Boag Road,
T.Nagar, Chennai - 600 017.

ARCHANA SOFTWARE LIMITED

NOTICE

NOTICE is hereby given that the Eighth Annual General Meeting of the Company will be held on Monday, the 30th September 2002 at 10.20 a.m. at Plot No.1, Balaraman Street, Parthasarathy Nagar, Manapakkam, Chennai – 600 116 for transacting the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2002 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a director in the place of Mr.D.Ravisankar, who retires at this Annual General Meeting and being eligible offers himself for reappointment.
3. To appoint a director in the place of Mr.V.P.Ramanathan, who retires at this Annual General Meeting and being eligible offers himself for reappointment.
4. To appoint Auditors and to authorise the Board to fix their remuneration. M/s Krishnan & Sekaran, Chartered Accountants, who retire at this Annual General Meeting and being eligible offer themselves for reappointment.

By Order of the Board

**Chennai
31.08.2002**

**D. RAVISANKAR
Director**

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NOTES

The explanatory statement pursuant to section 173 of the Companies Act, 1956 is annexed.

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed, should be deposited at the Registered office of the Company at least forty-eight hours (48) before the time fixed for the commencement of the meeting.
2. The Register of Members and Share Transfer Register of the Company will remain closed from the 27th September, 2002 to 30th September, 2002 (both days inclusive)
3. Members are requested to notify change in address, if any, to the Company's Secretarial Department at No 9, Bishop Wallers Avenue (East), Mylapore, Chennai 600 004 quoting the folio numbers.
4. Members/Proxy holders are requested to produce at the entrance, the attached admission slip for admission to the meeting hall.
5. In the case of joint holders if more than one holders intends to attend the meeting, they must obtain additional admission slips on request from the Registered Office of the Company on or before 17th September, 2002.

Chennai
31 .08.2002

By Order of the Board

D. RAVISANKAR
Director

ARCHANA SOFTWARE LIMITED**DIRECTOR'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the Eighth Annual Report on the working of the Company along with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2002.

FINANCIAL RESULTS

	(Rs. In lacs)	
	2001-2002	2000-2001
Income from Software Development	9.08	176.16
Other Income	11.46	9.70
Profit/Loss Before Tax	(44.59)	(471.20)
Profit/Loss after Tax	(44.59)	(471.20)
Previous Year Adjustment(Net)	(0.02)	(20.21)
Balance carried to Balance Sheet	(536.02)	(491.41)

DIVIDEND

No dividend has been recommended for the year in view of the loss recorded in the year.

OPERATIONS

The Company has concentrated its efforts on Software Development for various applications. The Company has also been successful in its endeavor and has during the current year developed Software solution for its various clients. The Company has a strong team of Software professionals who have developed application software for various industries like Enterprise Resource Planning (ERP), Supply Chain Management Solution (SCM), Property Management Solutions and so on.

FUTURE PLAN

The Company has initiated steps for Marketing of its various Software packages and solutions and also explored Marketing in Srilanka. The Company also got orders on Enterprise Resource Planning and Supply Chain Management in the current financial year.

ARCHANA SOFTWARE LIMITED

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

A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

B. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has spent foreign exchange of US\$ 7030/- equivalent to Rs.3,37,492/- during the year towards foreign travel expenditure and there are no foreign exchange earnings during the year.

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

During the year, no employee was paid more than Rs.1,00,000/- per month or Rs.12,00,000/- per annum.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm:

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

ARCHANA SOFTWARE LIMITED

CORPORATE GOVERNANCE:

The Company has taken effective steps to comply with ensuing changes in clause 49 of the listing Agreement with respect to the Corporate Governance.

AUDIT COMMITTEE

Your company has complied with the provision of Section 292A of the Companies Act, 1956 as to constitution of Audit Committee with Mr.R.Rajasankar, Mr.D.Ravisankar and Mr.V.P.Ramanathan being members of the said committee. The Committee met every quaters during the year.

ADDENDUM TO AUDITORS' REPORT

1. Note No.6(i)&(ii) and 7 of Schedule J

The Company has taken note and shall initiate steps for the same.

2. Note No.1 of Schedule K

The Company has initiated steps to obtain confirmation and the same are awaited.

DIRECTORS

Mr.D.Ravisankar and Mr.V.P.Ramanathan, Directors of the Company retire by rotation at this Annual General Meeting and being eligible offer themselves for reappointment.

AUDITORS

M/s.Krishnan & Sekaran, Chartered Accountants, Chennai hold office till the conclusion of this General Meeting and have expressed their willingness to continue in office if appointed. A certificate to the effect that, if appointed, such appointment will be within the limits under Section 224(1B) of the Companies Act, 1956, has been obtained from the Auditors.

GENERAL

The Directors wish to place on record their appreciation of the support and co-operation they have received from Bankers, Merchant Bankers, Registrar and Shareholders and employees at all levels of the Companies.

on behalf of Board of Directors.

**Chennai
31.08.2002**

**D. RAVISANKAR
Director**