

TWENTIETH ANNUAL REPORT

2013 - 2014

ARCHANA SOFTWARE LIMITED

REGD. & ADMN. OFFICE:

'LAND MARVEL NEST', F – I,

3, First Main Road ,

INDIRA NAGAR,

ADYAR,

CHENNAI - 600 020.

Boards of Directors

S.Sonaachalam.

Director

Chikalpat Yogesh Pai

Director

S.Vasanth Kumar

Director

V.Ramani

Director

○ **Auditors**

A. SARAVANAN.

Chartered Accountant

191-G, Annai Gardens,

T.T.P. Mill Road, AB Nagar,

Gandhi Nagar (PO),

Tirupur – 641 603

Bankers

Tamilnadu Mercantile Bank Ltd,

Kamaraj Road, Tirupur.

○
HDFC Bank Ltd

I.T.C Centre

Anna Salai, Chennai.

IDBI Ltd.

115, Annasalai

Saidapet, Chennai.

Registered Office

'Land Marvel Nest' , F-I,

3, First Main Road,

Indira Nagar, Adyar,

Chennai – 600 020.

NOTICE

Notice is hereby given that the Twentieth Annual General Meetings of the Company will be held on Monday, 29th September 2014 at 10.00 a.m. at N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-600 042 for transacting the following business:-

ORDINARY BUSINESS

1.To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March 2014 and the Balance Sheet as on that date together with the Directors' Report and Auditors' Report thereon.

2.To appoint a director in the place of Mr.S.Sonaachalam (DIN 00486087) who retires by rotation and be eligible offers himself for reappointment.

3.To consider and if thought fit to pass with or without modification, the following resolution as an ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the Section 139 and other applicable provisions if any of the Companies Act,2013 and the rules framed there under, Mr. A. Saravanan, Chartered Accountant (Membership No:026101) be and is hereby re-appointed as Auditor of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them exclusive of Service Tax, out of pocket expenses and travelling expenses as may be mutually agreed between them".

SPECIAL BUSINESS :

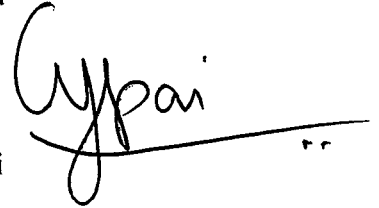
4.To consider and if thought fit , to pass with or without modification , if any, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149,152 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder read with Schedule IV of the Act as amended from time to time, Mr.S.Vasanth Kumar,(DIN00405757) as a Director of the Company whose term of office is liable to retire by rotation and who has submitted a declaration that he is not disqualified to act as a Director as provided in Section 164 of the Companies Act, 2013 and who is eligible for appointment and against whom the Company has received a notice in writing from a member proposing his name for the office of director be and is hereby appointed as a Director with effect from 29th September 2014 .

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

“RESOLVED THAT pursuant to the provisions of Section 149,152 and other applicable provisions of the Companies Act, 2013 and the rules framed thereunder read with Schedule IV of the Act as amended from time to time, Mr.V Ramani ,(DIN00050922) a non - executive Director of the Company whose term of office is liable to retire by rotation and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and against whom the Company has received a notice in writing from a member proposing his name for the office of director be and is hereby appointed as an Independent Director with effect from 29th September 2014 for a term of 5 (Five) Consecutive years from the conclusion of this Annual General Meeting duly recommended by the Board.

By Order of the board



Chikalpat Yogesh pai
DIRECTOR

☐ PLACE: CHENNAI,

DATE : 03.09.2014.

☐

NOTES

1. A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and on a poll to vote instead of himself. The proxy need not be a member of the Company. A blank proxy form is enclosed. The proxy form duly stamped and executed, should be deposited at the Register office of the commencement of the meeting.
2. The Register of the Members and Share Transfer Register of the company will remain closed from the 26th September 2014 to 29th September 2014 (both days inclusive).
3. Members are requested to notify change in address, if any, to the Company's Secretarial Department at 'Land Marvel Nest', F-I, 3, First Main Road, Indira Nagar, Adyar, Chennai – 600 020, quoting the folio number.
4. Members/ proxy holders are requested to produce at the entrance, the attached admission slip for admission to the meeting hall.
5. We request the shareholders to register their E-Mail IDs with the Company / Share Transfer Agents. This will enable the Company to service shareholders' requests / queries electronically apart from furnishing of Audited Accounts and any other relevant information / communication.
6. In the case of joint holders if more than one holder intends to attend the meeting, they must obtain additional admission slips on the request form the Registered Office of the Company on or before 15th September 2014.

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

For Item No:2

Mr.S.Sonaachalam aged 47 years holds a graduate in Commerece. He joined the Board on 30-08-2010 and is currently member of the Audit committee and Shareholders / Investors Grievances Committee. The other directorships of Mr.S.Sonaachalam are given below.

Other Directorships

- | | |
|---|------------|
| 1.Shakthi Knitting limited | - Director |
| 2.Sree poorani Knitters and Private Limited | - Director |

For Item No:4

Mr. S.Vasanth Kumar aged 47 years holds a graduate in Engineering. He joined the Board on 12-12-2013 and is currently member of the Business Development Committee and Shareholders / Investors Grievances Committee. The other directorships of Mr.S. Vasanth Kumar are given below.

- | | |
|--|---------------------------|
| 1. Shakthi Knitting limited | - Joint Managing Director |
| 2. SKL Medtech Private Limited | - Director |
| 3.Pillayar Investments and Finance Private Limited | - Director |
| 4.Perundurai Common Effluent Treatment Plant | - Director |

The Company has received a requisite notice and deposit from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mr. S. Vasanth Kumar as a Director. The necessary resolution is placed before the members for their consideration and approval. None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. S Vasanth Kumar is concerned or interested in the resolution. The Explanatory statement may also be regarded as the necessary disclosure under clause 49 of the listing aggrement.

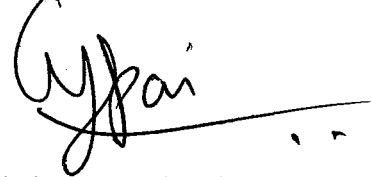
For Item No:5

Mr.V Ramani aged 62 years. He joined the Board on 12-12-2013 and is currently member of the Business Development Committee and Shareholders / Investors Grievances Committee. The other directorships of Mr.V. Ramani are given below.

- | | |
|---|------------|
| 1. Sattva CFS and Logistics Private limited | - Director |
|---|------------|

The Company has received a requisite notice and deposit from a member under Section 160 of the Companies Act, 2013 signifying the intention to propose the name of Mr. V Ramani as an Independent Director for a term of 5 (five) years from the conclusion of this Annual General Meeting. The necessary resolution is placed before the members for their consideration and approval. None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. V Ramani is concerned or interested in the resolution. The Explanatory statement may also be regarded as the necessary disclosure under clause 49 of the listing Agreement

By Order of the Board



Chikalpat Yogesh Pai

DIRECTOR

PLACE: CHENNAI

DATE : 03.09.2014.

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 31st March 2014.

FINANCIAL RESULTS

	Rs. In Lacs	Rs. In Lacs
	2013 - 14	2012 - 13
Sales Income	547.37	519.76
Profit/ (Loss) before tax	2.02	(00.79)
Profit/ (Loss) after tax	1.88	(00.79)
Balance carried to Balance Sheet	(650.68)	(652.57)

DIVIDEND

No dividend has been recommended for the year.

OPERATIONS

The Company is making all out efforts to market the various software products developed by it – software in the areas of designing and planning in Textile industry, Inventory Management, Hotel Management, Payroll Management etc. And also the company recently launched the e-commerce website called www.theflamingo.co.in for marketing the goods through web. The company's turnover had increased from Rs.519.76 lacs in the previous year to Rs.547.37 lacs in the current year. The software product marketed by the company had good response during the year, hence there is good growth in the turnover of the company during the year. However your directors are confident of registering substantial increase in turnover and profits in the coming years.

FUTURE PLAN

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

A. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

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

B. FOREIGN EXCHANGE EARNING AND OUTGO

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

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm:

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

CORPORATE GOVERNANCE:

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

CODE OF CONDUCT

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

MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

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

AUDIT COMMITTEE

Your company has complied with the provisions of Section 177 of the Companies Act, 2013 as to constitution of Audit Committee with Mr. V.Ramani and Mr. Chikalpat Yogesh Pai are being members of the said committee. Mr. S. Sonnaachalam is the Chairman of the committee. The committee met four times during the year.

PUBLIC DEPOSIT

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

LISTING

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

DIRECTORS

a. Re-appointment:

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

Resignation : Mr. M.B. Sekar and Mr. S. Ravi Shankar resigned from directorship and all committee on 30th January 2014

AUDITORS

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

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

ENVIRONMENT COMPLIANCE:

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

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

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

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

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

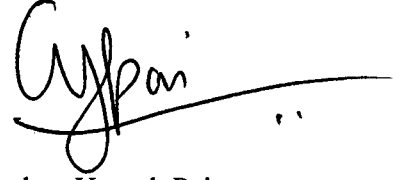
The Company has started project to conserve water and energy, minimize generation of waste, minimize carbon foot print, generate pollution prevention awareness throughout the plant and to achieve 100 percent legal compliance.

GENERAL

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

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

On behalf of Board of Directors

A handwritten signature in black ink, appearing to read 'Chikalpat', followed by a long horizontal line extending to the right.

Chikalpat Yogesh Pai

DIRECTOR

PLACE: CHENNAI

DATE : 03.09.2014.