



I don't design clothes I design dreams –Ralph Lauren



Boards of Directors

Whole Time Director	Chikalpat Yogesh Pai
Non Executive Director	S.Vasanth Kumar
Independent Director	S.Sonaachalam V.Paranthaman P. Parimala Women Director
<u>Auditors</u>	
A. SARAVANAN. Chartered Accountant 191-G, Annai Gardens, T.T.P. Mill Road, AB Nagar, Gandhi Nagar (PO), Tirupur – 641 603 (Office upto the conclusion of the 23 rd AGM)	Incoming Auditor M/s. GKP Associates, (Firm Regn. 007680S) Chartered Accountants, No.10, Doctors Colony, Radhakrishnan Road, Gandhipuram, Coimbatore- 641012. (Office starts from the 23 rd AGM)
<u>Secretarial Auditor</u> P THIRUMALAIKUMAR, Company Secretary in Practice Flat No.S-2, II Floor, “Mahalakshmi” No.82/40, A P Kovil Street, Vadapalani, Chennai- 600026	<u>Bankers</u> Tamilnadu Mercantile Bank Ltd, Kamaraj Road, Tirupur. HDFC Bank Ltd I.T.C Centre, Anna Salai, Chennai. IDBI Ltd. 115, Annasalai, Saidapet, Chennai.
CIN:L17120TN1994PLC029226 Annual General Meeting on 28 th September 2017 @ N.M.S.Marriage Hall, 61 F Main Road, Velachery, Chennai-600 042	<u>Registered Office</u> 'Land Marvel Nest' , 1 st Floor, No.3, First Main Road, Indira Nagar, Adyar, Chennai – 600 020 <u>Email id :</u> archanasoftware@gmail.com vasanth@archanasoftware.com Website : www.archanasoftware.com
<u>Listing</u> BSE Ltd Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001 <u>Stock Code</u> 530565 <u>ISIN Number</u> INE149B01015	<u>Registrar & Share Transfer Agent</u> 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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Third Annual Report on the working of the Company along with the audited Balance Sheet and Profit Loss Account for the year ended 31st March 2017.

FINANCIAL RESULTS

Rs. in Lacs

Particulars	2016-2017	2015-2016
Sales Income	537.46	192.28
Profit / (Loss) before Tax	1.42	(10.07)
Profit / (Loss) after Tax	1.19	(10.29)
Balance carried to Balance Sheet	(657.35)	(658.55)

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.5.37 crores and Net Profit of Rs.1.19 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

As per IMF, Global growth, currently estimated at 3.1 percent in 2015, is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The pickup in global activity is projected to be more gradual than in the October 2015 World Economic Outlook (WEO), especially in emerging market and developing economies. In advanced economies, a modest and uneven recovery is expected to continue, with a gradual further narrowing of output gaps. The picture for emerging market and developing economies is diverse but in many cases challenging. The slowdown and rebalancing of the Chinese economy, lower commodity prices, and strains in some large emerging market economies will continue to weigh on growth prospects in 2016–17. The projected pickup in growth in the next two years—despite the ongoing slowdown in China—primarily reflects forecasts of a gradual improvement of growth rates in countries currently in economic distress, notably Brazil, Russia, and some countries in the Middle East, though even this projected partial recovery could be frustrated by new economic or political shocks. Risks to the global outlook remain tilted to the downside and relate to ongoing adjustments in the global economy: a generalized slowdown in emerging market economies, China's rebalancing,

Indian Textile Industry

The textile and apparel industry can be broadly divided into two segments - yarn and fibre, and processed fabrics and apparel. India accounts for 14 per cent of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63 per cent of the world's market share. The domestic textile and apparel industry in India is estimated to reach US\$ 141 billion by 2021 from US\$ 67 billion in 2014. Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles. India is the world's second largest exporter of textiles and clothing.

Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021 from US\$ 40 billion in 2014. Readymade garments remain the largest contributor to total textile and apparel exports from India. In FY15-16 the segment had a share of 40 per cent of all textile and apparel exports. Cotton and man-made textiles were the other major contributors with shares of 31 per cent and 16 percent, respectively. Rising government focus and favourable policies is leading to growth in the textiles and clothing industry. Foreign direct investment (FDI) in textile sector increased to US\$ 1,587.8 million in FY15-16 from US\$ 1,424.9 million in FY14-15. The Ministry of Textiles is encouraging investments through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). To promote apparel exports, 12 locations have been approved by the government to set up apparel parks for exports. As per the 12th Five Year Plan, the Government plans to provide a budgetary support of US\$ 4.25 billion to textiles. Free trade with ASEAN countries and proposed agreement with European Union will also help boost exports. In the near future, India's apparel exports to developed markets are expected to increase considerably. Total exports of textiles and apparel are expected to touch US\$ 65 billion by March 2017.

Opportunities and Threats

The demand for the company's product 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 companies 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 un even price fluctuation in yarn prices and government policies are some of the issues that needs to be taken care of, your company is taking efforts to cut down dependence to 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 2016-2017 (in RS)	Remuneration Paid in FY 2015-2016 (in RS)	% increase of remuneration in 2017 as compared to 2016 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	120000	NA	NA
S Sonaachalam	Independent Director	NIL	NIL	NA	NA
P Parimala	Independent Director	NIL	NIL	NA	NA
K P Appusamy	CEO	72000	72000	NA	NA
G Narendiran	CFO	60000	60000	NA	NA

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 2016 -17

Date of Board meeting	Few Main Agendas discussed
30 th April 2016	Adoption of Un-Audited Quarterly & Annual Financial Results for the year ended 31 st March 2016
13 th May 2016	Review of business, Reports of various committees. Adoption of Audited Financial Results for the year 2015-2016.
15 th June 2016	Review of Business Operation of the Company.
30 th July 2016	1. Adoption of Unaudited Financial Results for the Quarter ended 30 th June 2016 2. Adoption of AGM Notice, proposed AGM transactions, draft resolutions, Audited Accounts, Auditors Reports, Notes on Accounts, Annexures to the Auditors Report, Directors Report etc for the year 2015-2016.
15 th September 2016	Business Review
29 th October 2016	Adoption of Unaudited Financial Results for the Quarter & half yearly ended 30 th September 2016
10 th December 2016	Business Review
30 th January 2017	Adoption of Unaudited Financial Results for the Quarter ended 31 st December 2016 Adoption of Related Party Transactions.
24 th March 2017	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 2017 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 9 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.