

DIRECTORS' REPORT**1. INTRODUCTION**

Directors are elated in presenting the 28thAnnual Report of the Company along with the Audited Statement of Accounts for the year ended as on 31st March, 2017.

2. FINANCIAL RESULTS

(Amount in Rs)

| Particulars | Current Financial Year (2016-2017) | Previous Financial Year (2015-2016) |
|--|------------------------------------|-------------------------------------|
| Net Profit/(Loss)Before Depreciation and Tax | 1,99,456 | 2,398,673 |
| Depreciation | - | - |
| Profit /(Loss) before Tax | 1,99,456 | 2,398,673 |
| Provision for Tax | 61,632 | 760,432 |
| Profit/ (loss) after Tax | 1,37,824 | 1,638,241 |
| Balance Brought forward | (15,420,340) | (17,025,777) |
| Less:- Income Tax (Earlier Year) | (2,760) | (32,804) |
| Balance carried to Balance Sheet | (15,279,756) | (15,420,340) |

3. BUSINESS OVERVIEW

Due to poor market condition, the Net Profit of the Company has declined from Rs. 16,38,241/- to Rs. 1,37,824/-.The Company's policy of management has provided cushion effect to the adversities of the market on the performance of Company. The Board of Directors look towards the future performance with a positive approach.

4. DIVIDEND:

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and with a view to conserve the resources, they do not recommend any dividend for the year ended 31st March, 2017.

5. CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 are not applicable.

6. STATUTORY AUDITORS

M/s Dhaval Gala & Associates, Chartered Accountants, retire as the Statutory Auditors of the company at the conclusion of the ensuing Annual General Meeting. M/s. M/s Dhaval Gala & Associates, Chartered Accountants, and Statutory Auditors of the Company have expressed their inability & unwillingness to accept the office in accordance with the provisions of Section 139 of the Companies Act, 2013. Accordingly, the Board of directors of the Company subject to the recommendation of the Audit Committee have proposed the appointment of M/s Prajwal Poojari and Associates, Chartered Accountants as Statutory Auditors of the Company, and who shall hold office from the conclusion of 28th Annual General Meeting till the conclusion of 34th Annual General Meeting (subject to ratification by the members at every Annual General Meeting) and to fix their remuneration thereof. M/s Prajwal Poojari and Associates, Chartered Accountants have given their consent and eligibility to act as Statutory Auditors of the Company.

The board recommends the proposed resolution with respect to appointment of M/s Prajwal Poojari and Associates, Chartered Accountants, as Statutory Auditors of the Company for your approval as a Ordinary Resolution.

7. SECRETARIAL AUDITORS

M/s. H V Gor & Co, Practicing Company Secretaries have been appointed in the Board Meeting held on 30th May, 2017 as the Secretarial Auditor of the Company u/s 204 of the Companies Act, 2013 to conduct Secretarial Audit of the matters of the Company and report thereof. The Secretarial Auditor's Report has been annexed to the Board Report under Annexure IV.

8. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualification, reservation or adverse remark made by the Auditors in their report.

The explanations made by the Board relating to the qualifications, reservations, adverse remarks made by the Practicing Company Secretary in his Secretarial Audit Report are furnished as under:

1. The Company has been inviting the applications for the post of Company Secretary in whole time employment of the Company by issuing classifieds in the newspapers. However, the Company has failed to receive application from a suitable candidate for the aforementioned responsibilities.

2. The Company has failed to submit the outcomes with the stock exchange within stipulated time frame due to inadvertent error. Further, the Company will make sure that all the required disclosures and intimations will be intimated to the stock exchange.
3. The Company has failed to comply with the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, due to genuine oversight on the part of the Company relating to the publication of notices of Board meetings in news papers. However, the Company has proposed to comply with the same from this financial year.

The Company has failed to comply with publication of financial results in newspaper due to genuine oversight on the part of the Company. However, the Company has proposed to comply with the same.

4. The Company is not in compliance with Regulation 55A of SEBI (Depositories and Participants Regulations) 1996 for the quarter ended 31st March, 2016 due to genuine oversight on the part of the Company. However, the Company has proposed to comply with the same from this financial year.
5. The Company is not in compliance with Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended 31st March, 2017 due to genuine oversight on the part of the Company. However, the Company has proposed to comply with the same.
6. The website of the Company has not been updated due to technical reasons. However, the Company is in the process of updating the website.

9. DIRECTORS

Mr. Mandar Palav (DIN: 03249718) resigned from the Board on 21st November, 2016 and Mr. Himanshu Vaidya (DIN:07269291) was appointed in his replacement on 23rd March, 2017. There were no other change in the Board of Directors of the Company during the financial year under review. The Board invited applications for the replacement of Mr. Mandar Palav at the time of his resignation but were able to fill the same only in the month of March, 2017

10 DECLARATION BY THE INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

11 BOARD MEETINGS

The Board of Directors met Six times during the financial year under review.
27th May, 2016; 8th August, 2016; 31st August, 2016; 12th November, 2016;
11th February, 2017; 22nd March, 2017.

12 COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company and hence the Company has not devised any policy 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.

13 INFORMATION PURSUANT TO RULE 5 (2) OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Company has not appointed any employee(s) in receipt of remuneration exceeding the limits specified under Rule 5 (2) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

14 DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has duly set up an Internal Complaints Committee (ICC) in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, to redress complaints received regarding sexual harassment.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17.

| | |
|--------------------------------|-----|
| No of complaints received: | Nil |
| No of complaints disposed off: | Nil |

15 DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (c) read with Section 134 (5) of the Companies Act, 2013, your Directors state that:

- a. In the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b. They have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 as at 31st March, 2017 and of its Profit for the year ended on that date;

- c. They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. They have prepared the annual accounts for the year ended 31st March, 2017 on a 'going concern' basis; and
- e. They have laid down Internal Financial Controls, which are adequate and are operating effectively
- f. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Company has not advanced any loans nor made any investments and also has not given any guarantee pursuant to Section 186 of the Companies Act, 2013 during the year under review .

17 DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES.

It is not proposed to carry any amount to any reserves from the profits of the Company. Hence, disclosure under Section 134 (3) (j) of the companies act, 2013 is not required.

18 MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

19 ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the

Company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

20 STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT

The Company has developed & implemented Risk Management Policy. However, Company has not come across any element of risk which may threaten the existence of the Company.

21 DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no material orders passed by the regulators / courts / tribunal impacting the going concern status and company's operation in future for the financial year under review.

22 DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:

The Company has an adequate internal financial control system, commensurate with the size of its business operations.

23 PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review.

24 EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in "**Annexure MGT-9**".

25 DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Audit Committee consists of the following members;

- a. Mr. Shyam Sundar Parasramka
- b. Mr. Krishna Kumar Omprakash Murarka
- c. Ms. Bhavita Ashiyani

The above composition of the Audit Committee consists of Independent Directors viz., Ms. Bhavita Ashiyani and Mr. Krishna Kumar Omprakash Murarka who form the majority.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of employees and directors of the Company.

26 CORPORATE GOVERNANCE:

Your Company is committed to adopting the best Corporate Governance practices. It believes that proper corporate governance is not just a regulatory compliance but also a facilitator for enhancement of stakeholder's value. Reports on Corporate Governance and Management Discussions & Analysis are annexed and form part of this report.

27 APPRECIATION AND ACKNOWLEDGEMENT

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the Company's business. Your directors are grateful towards all members for supporting and sustaining us during the intricate days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

Registered Office:
TF4, 4th Floor, The Habeeba Arcade No.01,
Arumuga, Naicken Street, Opp. SBI Street,
Anna Salai, Chennai-600002.

Date:- 05th Sept 2017

**By Order of the Board of Directors
For Pine Animation Limited**
Sd/-
Mr. Shyam Sundar Parasramka
(Director)
(Din:-00511476)