

REPORT ON CORPORATE GOVERNANCE**A. MANDATORY REQUIREMENTS:****1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a leading financial services company in India with a global footprint, while upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to Pine Animation companies.

The Corporate Governance philosophy is further strengthened with the adherence to the Pine Animation Business Excellence Model as a means to drive excellence, the Balanced Scorecard methodology for tracking progress on long-term strategic objectives.

2. BOARD OF DIRECTORS**▪ Composition:**

The Board of the Company presently consists of Five Directors. The Board comprises of Two Executive Directors & Three Non- Executive Directors. The Board also comprises of Independent Directors which brings in Independent judgments in the Board's deliberations and decisions. The Composition of Directors is as under:

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting as also the number of Directorships and Committee Memberships held by them in other companies were as under:

Name of the Director / DIN No	Nature of Directorship	No. of Directorships in other public limited companies	Memberships of other Committee(s) of other public limited companies		No. of Board Meetings Attended	Last AGM Attended (Yes/No)
			Chairman	Member		
Mr. Shyam Sundar Parasramka (DIN: 00511476)	Managing Director	-	-	-	06	Yes
Mr. Mandar Subhash Palav (DIN: 03249718)	Non Executive Independent Director	-	-	-	02	Yes
Mr. Krishnakumar Omprakash Murarka (DIN: 06542831)	Non Executive Independent Director	-	-	-	06	Yes
Ms. Bhavita Arvind Ashiyani (DIN: 07248711)	Non Executive Independent Director	-	-	-	06	Yes
Mr. Himanshu Vaidya (DIN: 07269291)	Non Executive Independent Director	1	-	2	01	No

. Board meetings of the Company

During the year 2016-2017, the Board met Six times and the gap between two meetings did not exceed one hundred and twenty days. The date on which the said meetings were held are as under :

27th May, 2016	12th November, 2016
08th August, 2016	11th February, 2017
31st August, 2016	22nd March, 2017

During the year a meeting of the Independent Directors was held on 28th February, 2017. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

3. COMMITTEES OF THE BOARD

The Board has total three Committees namely,

A. Audit Committee

B. Nomination and Remuneration Committee

C. Stakeholders Relationship Committee

A) AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Companies Act, 2013.

The Terms of Reference of the Audit Committee are broadly as under:

- Oversight of Companies financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payments to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviving, with the management, the Annual Financial Statements & Auditors Report thereon before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Directors Responsibility Statement to be included in the Boards Report in terms of Clause (c) of sub-section 3 of Section 134 of the Act.
 - Changes, if any, in Accounting policies and practices and reasons for the same.
 - Major Accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualifications under Draft Audit Report
- Reviving with the management, the quarterly financial statements before submission to the Board.
- Review and monitor Auditor's Independence and performance, and effectiveness of Audit process.
- Approval or any subsequent modification of transactions of the Company

with related parties.

- Examination of Financial Statements and the Auditors Report thereon.
- Evaluation of Internal Financial Controls and Risk Management Systems
- Establish Vigil Mechanism for directors and employees to report genuine concerns in such manner as may be prescribed.
- The Audit Committee may call for comments of the auditors about Internal Control Systems, the scope of audit, including observations of the auditors & review of financial statements before their submission to the Board and may also discuss any issue with the internal and Statutory Auditors and the management of the Company.
- The Audit Committee shall review the information required as per SEBI listing Regulations.

Composition and Attendance of Audit Committee

During the year the Committee met 4 times on
30th May, 2015,13th August, 2015,7th November, 2015,11th February, 2016

Name of Director	Category	No. of Meetings Attended
Mr. Krishnakumar Omprakash Murarka	Independent – *N E D	4
Ms. Bhavita Ashiyani	Independent – *N E D (Member)	4
Mr. Shyam Sundar Parasramka	Managing Director - (Member)	4

*N E D: Non Executive Director

The necessary quorum was present at the meetings.

- All members of the Board Audit Committee are financially literate and have relevant finance and /or audit exposure.
- At least One Audit Committee Meeting was held every quarter.

The Chairman of the Audit Committee Mr. Shyam Sundar Parasramka was present at 27th Annual General Meeting held on 30th September, 2017.

Note: Mr. Mandar Palav resigned w.e.f 21st October, 2016.

II. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Companies Act, 2013.

The broad terms of reference of the Nomination and Remuneration Committee are as under:

- Recommend to the Board the set up and composition of the Board and its Committees including the formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board the appointment and re-appointment of the Directors.
- Recommend to the Board the appointment of Key Managerial Personnel ("KMP" as defined by the Act) and Executive team members of the Company (as defined by this Committee)
- Carry out evaluation of every director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its committees and individual directors. This shall include the formulation of criteria for evaluation of Independent Directors and Board .
- Recommend to the Board the Remuneration policies for directors, executive team, key managerial personnel as well as rest of employees.
- Reviewing the performance of the Managing Director(s) and recommending to the Board the quantum of annual increments and annual commission.
- Oversee familiarization programmers for directors.
- Performing such other duties and responsibilities as may be consistent with the provisions of the Companies Charter.

Composition and Attendance of Remuneration Committee:

During the year 2016-2017, the Committee met once on 22nd March, 2017 for appointing Mr. Himanshu Vaidya as Additional Director in the position of Independent Director.

The Composition and Attendance at the Remuneration Committee Meeting during the year were as under:

Name of the Director	Category	No. of Meetings attended
Mr. Krishnakumar Omprakash Murarka	Independent – *N E D (Chairman)	1
Mr. Shyamsundar Parasramka	Independent- N E D (Member)	1
Ms. Bhavita Ashiyani	Independent – *N E D (Member)	1

*N E D: Non Executive Director

Performance Evaluation Criteria for Independent Directors:

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration committee. Indicative lists of factors that may be evaluated include participation and contribution by a director. Commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

Remuneration Policy:

The Remuneration Policy has been formed in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013. The criteria for determining the remuneration of directors are laid down by the Nomination and Remuneration committee. Indicative list of criteria defined in the policy are;

Minimum Qualification: Graduate

Positive Attribute: Analyzing, Visionary, Determined

Experience: 5 Years (2 years for professional)

Details of Remuneration for the year ended March 31st, 2017

a. Non- Executive Director

Name	Commission (Rs.)	Sitting fees (Rs.)
Mr. Mandar Subhash Palav	NA	NA
Mr. Krishnakumar Omprakash Murarka	NA	NA
Ms. Bhavita Ashiyani	NA	NA

b. Managing Director And Executive Director

Name of the Director	Remuneration (Rs. In Lakhs)	Benefits, Perquisites and Allowances (Rs. In Lakhs)	Commission (Rs. In Lakhs)
Mr. Shyam Sundar Parasramka (DIN: 00511476) Managing Director	3,50,000	-	-

III. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013.

The Broad terms of reference of the Stakeholders Relationship Committee areas under:

- Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer of securities, non receipt of dividend/ notice/annual reports, etc. and all other securities holders related matters.
- Consider and approve issue of share certificates(including issue of renewed or duplicate Share certificates), transfer and transmission of securities, etc.

COMPOSITION AND ATTENDANCE OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the year 2016-2017, the Committee have not met as there were no security holders issue to be resolved before the Committee nor any issues relating to share certificates:

Name of the Director	Category	No. of Meetings Attended
Mr. Krishnakumar Omprakash Murarka	Independent – *N E D (Chairman)	1
Shyam Sundar Parasramka	Independent – *N E D (Member)	1
Ms. Bhavita Ashiyani	Independent – *N E D (Member)	1

*N E D: Non Executive Director

4. GENERAL BODY MEETING:

Details of the location of the last three AGMs & EGMs and the details of the resolution passed or to be passed by Postal Ballot.

Year Ended	AGM/ EGM	Date of Meeting	Place of Meeting	Special Resolution Passed	Time
2013-2014	EGM	07/05/2013	Flat No. 5, New No. 26, Chari Street, T Nagar, Chennai – 600 017, Tamil Nadu	Subdivision of nominal value of equity portion of the authorized share	4.30 P.M.
2014-2015	AGM	30/05/2015	Office No. 61, Ground floor, Arunachallam Street, Chindadripet, Chennai- 600002, Tamilnadu.	Note:-1	10.00A.M.
2015-2016	AGM	07/05/2013	TF4, 4th Floor, The Habeeba Arcade No. 01, Arumuga Naicken Street, Opp. SBI Bank Street, Anna Salai, Chennai- 600002, Tamil Nadu.	No Special Resolution	10.00A.M.
Note:- 1) Appointment of Mr. Shyam Sundar Parasramka as Chief Executive Officer & MD as Whole Time Key Managerial Personnel for 3 years u/s 196 & 203 of Companies Act, 2013.					

5. DISCLOSURES:

a) Subsidiary Companies

The Company does not have any subsidiary as on 31st March, 2017.

b) Disclosures on materially significant transactions with related party

There were no materially significant Related party Transactions during the financial year ended 31st March, 2017, that may have potential conflict with the interest of the Company at large. The details of related party transactions as per AS-18 form part of the Notes to Accounts.

c) Disclosure of Accounting Treatment

The Company follows Accounting Standards issued by The Institute of Chartered Accountants of India and in the preparation of financial statement, the Company

has not adopted any treatment of Accounting Policies different from those prescribed in Accounting Standards.

d) Proceeds from Public issue or Preferential allotment

The Company has not made any public issue or preferential allotment during the year under review.

e) Management Discussion and Analysis Report

The Management Discussion and Analysis Report has been annexed to the Directors report.

f) Details of non-compliances with regard to Capital market

With regard to the matters related to the Capital market, the Company has complied with all the requirements of listing Agreement as well as SEBI Regulations. No penalties were imposed or strictures passed against the Company by the Stock Exchange, SEBI or any other Statutory Authority during the last three years in this regard.

g) Whistle Blower Policy And Vigil Mechanism

Pursuant to the provisions of Section 177 of Companies Act, 2013 and the rules made there under, the Company has established " Whistle Blower Policy/ Vigil Mechanism," in its endeavor to provide its Board, Senior Management and Employees a secure and a fearless working environment, for directors and employees to report genuine concerns to the chairman of the Audit Committee. The purpose of this policy is to create an awareness and fearless environment for the employees to report an instance of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Framework of the policy strives to foster responsible and secure Whistle Blowing. The policy should be read in conjunction with applicable regulation and existing policies and procedures of the Company.

h) Reconciliation of Share Capital Audit

A qualified Practicing Company Secretary carried out a Share Capital Audit to reconcile the total admitted Equity Share Capital with the National Securities Depository Limited("NSDL") and Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The Audit report confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

i) Code of Conduct

The Company has adopted a Code of Conduct for the Directors and Senior Management Personnel of the Company. The Members of the Board and Senior

Management Personnel have affirmed the compliance with code applicable to them during the year ended March 31, 2017. The Annual Report of the Company contains a certificate issued by the CEO and Managing Director in terms of SEBI Listing Regulations on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management.

j) Details of director seeking appointment

The details of Directors seeking appointment / re-appointment forms part of notice of Annual General Meeting.

6. MEANS OF COMMUNICATION:

The quarterly, half yearly, Annual Results of the Company, are published in leading newspapers in India. The results are also displayed on the company's website www.pineanimationlimited.com Further press releases made by the Company from time to time are also displayed on the Company's website

7. GENERAL SHAREHOLDERS INFORMATION:

i.	Date of Incorporation	1 st August, 1989
ii.	Corporate Identity Number (CIN)	L92100TN1989PLC017816
iii.	Registered Office	Office.no.TF4,4th Floor, The Habeeba Arcade no1,Arumugam Naicken Street, Opp.SBI Bank Street,Anna Salai Chennai – 600002.
iv.	Annual General Meeting	Date : 29 th September 2017 Time : 10.00 AM Address: TF4,4th Floor, The Habeeba Arcade no1,Arumugam Naicken Street, Opp.SBI Bank Street,Anna Salai Chennai – 600002.
v.	Financial Calendar	a) April to March b) 1st Quarter Results - within 45 days from the end of the Quarter c) 2nd Quarter Results- within 45 days from the end of the Quarter d) 3rd Quarter Results - within 45 days from the end of the Quarter e) 4th Quarter Results - within 60 days from the end of the Quarter

vi.	Date of Book Closure	23 rd September 2017 till 29 th September 2017 (both days inclusive)
vii.	Listing on Stock Exchanges	Bombay Stock Exchange Limited.
viii.	ISIN Number for DSL/NSDL	INE631B01020
ix.	BSE Scrip Code	511421
x.	Registrar and Transfer Agents	SKYLINE FINANCIALS SERVICES PVT LTD 4 A 9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai-400072. Email:- subhashdhingreja@skylinerta.com Website: www.skylinerta.com Tel no:- 022-62215779/022-28511022

xi. Listing of Equity Shares:

The securities of your Company are listed at BSE and securities of the Company have been suspended on the BSE. The matter is under the proceeding with the Securities Appellate Tribunal.

xi. Market Price Data:

The month-wise movement (High & Low) of the equity shares of the Company at the BSE Limited, Mumbai, during each month for the year ended 31st March, 2017 is as under:

since trading has been suspended, no Market Data can be provided from June 2015 to March 2016.

xi. Buy-Back of Shares:

There was no buy-back of shares during the year under review.

xii. Share Transfer System:

Share Transfers in physical form are to be lodged with System Support Services; Registrar and Transfer Agent (RTA) at the above mentioned address. The transfers are normally processed within 15 days from the date of receipt of the relevant documents are complete in all respect. Now authority is given to RTA to approve the transfers.

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant (DP) regarding change of address, change of Bank/Bank Account number, nomination, etc.

All the transfer received are processed by the Share Transfer Agent –

Skyline Financials Services Pvt Ltd

4 A 9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai-400072.

Email:- subhashdhingreja@skylinerta.com

Website: www.skylinerta.com

Tel no:- 022-62215779/022-28511022

and approved by the Board/Committee and returned well within the stipulated period from the date of receipt.

xiii. Distribution Of Shareholding As On 31.03.2017:

Distribution of Shares	No. of Shareholders	No. of Shares held	Percentage to Total No. of Shareholders
1- 50	67	952	8.90
51-100	19	1741	2.52
101-200	7	1169	0.93
201-300	4	1061	0.53
301-400	5	1780	0.66
401-500	6	2900	0.80
501-1000	8	7246	1.32
1001 & Above	637	276983151	84.33
Total	753	277000000	100.00

xiv. Shareholding pattern as on 31.03.2017 is as follows:

Category	No. of Shares held	Holding Strength %
Insurance Cos./Banks	0.00	0.00
NRIs	2000163	0.72
Mutual Funds	0.00	0.00
Resident Indians/other public shareholding	199557873	72.04
Bodies Corporate (Non Institution)	75441964	27.24
Promoters/Directors and their relatives	0.00	0.00
Total	277000000	100.00

xv. Dematerialization of shares

The total equity share Capital of the Company is 27,70,00,000 as on 31st March 2017, of which 269,975,122 equity shares i.e. 97.46% of the total paid up equity capital are traded in electronic form. Further from total electronically traded shares 182,040,639 Equity shares were held in electronic form with National Securities Depository Limited (NSDL) and 87,934,483 Central Depository Services (India) Limited (CDSL) and remaining 7,024,878 Equity shares are in Physical form.

Particulars	As at March 31, 2017	%
No. of Shares held at NSDL	182,040,639	65.72
No. of Shares held at CDSL	87,934,483	31.75
No. of Shares held in Physical form	7,024,878	2.53
Total	27,70,00,000	100.00

xvi. Address for correspondence:

PINE ANIMATION LIMITED

Office.no.TF4,4th Floor, The Habeeba Arcade no1,Arumugam Naicken Street, Opp.SBI Bank Street,Anna Salai Chennai – 600002

Shareholders correspondence may be directed to the Company’s Registrar and Share Transfer Agents whose address is given below:

Skyline Financials Services Pvt Ltd

4 A 9, Gundecha Onclave, Kherani Road, Sakinaka, Mumbai-400072.

Email:- subhashdhingreja@skylinerta.com

Website: www.skylinerta.com

Tel no:- 022-62215779/022-28511022

8. DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY’S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. I confirm that the Company has in respect of the year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

Registered Office:

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

Date:-05th September 2017

**By Order of the Board of Directors
For Pine Animation Limited**

Sd/-

Mr. Shyam Sundar Parasramka

(Director)

(Din:-00511476)