



10/10/2018

To  
Listing Compliance,  
BSE Limited,  
Floor No. 25, Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

Dear sir,

**Subject:** Adopted Annual report under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir,

Please find enclosed approved and adopted Annual Report of the company for the financial year 2017-2018. The Annual General Meeting of the members of the company was held on Thursday, 27th Day of September, 2018.

This is for your information and record.

For M/s. PENTAMEDIA GRAPHICS LIMITED

V. VENKATARAMAN  
(Whole time Director & CFO)  
(DIN 00162091)

## CONTENTS

Company information .....	01
Notice to the shareholder .....	02
Directors' Report & Management Discussion and Analysis Report .....	08
Annexure To Board's Report .....	14
Report on Corporate Governance .....	22
Independent Auditor's Report .....	35
Balance Sheet .....	40
Statement of Profit & Loss Account .....	41
Cash flow statement .....	42
Notes Forming Part of Financial Statements .....	43
Attendance and Proxy Form .....	55

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. V Venkataramanan	Whole time Director cum CFO
Mr. R Kalyanaraman	Director
Mr. C V Ravi	Additional Director
Mrs. V N Parvathy	Additional Director

### COMPLIANCE OFFICER

Mr. V Venkataraman  
Whole time Director cum CFO

### AUDITORS

M/s. Babu Peram & Associates  
Chartered Accountants  
Firm Registration No.012721S  
No.6, 2nd Street, V.O.C. Nagar,  
Kodambakkam, Chennai - 600 024.  
Email : babuperamca@yahoo.co.in

### INTERNAL AUDITORS

M/s. Anand & Madhan,  
Chartered Accountants  
Firm Reg. No.009671S  
No.7/2, 15th Cross Street,  
Adyar, Chennai - 600020

### BANKERS

Oriental Bank of Commerce  
State Bank of India  
Andhra Bank

### SECRETARIAL AUDITORS

M/s. J Anusuya & Associates  
Company Secretaries in Practice  
CP No. 19510

### REGISTRAR & TRANSFER AGENTS

M/s. Cameo Corporate Services Limited  
Unit : "Pentamedia Graphics Ltd."  
"Subramaniam Buiding"  
No.1, Club House Road,  
Anna Salai, Chennai - 600 002.  
Tel.: 044-28460390 (5 Lines),  
Fax : 044-28460129,  
Email : investor@cameoindia.com,  
www.cameoindia.com

### REGISTERED OFFICE

No.30-A, Akbarabad 1st Street,  
Kodambakkam, Chennai - 600024  
Telephone no: 044 -24803898  
Fax: 044 - 24726042  
Email : info@pentamedia.in  
Website : www.pentamedia.in

**PENTAMEDIA GRAPHICS LIMITED**

CIN: L74210TN1976PLC007142

Regd Office: No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai -600024  
Ph No: 044-24833067, Fax No: 044-24726042, E-Mail ID: shares@pentamedia.in,  
website: www.pentamedia.in

**NOTICE CONVENING THE FORTY SECOND ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the Forty Second Annual General Meeting of the members of M/s. **PENTAMEDIA GRAPHICS LIMITED** will be held on Thursday the 27<sup>th</sup> day of September 2018, at 03.00 P.M at Studio, Liberty park Hotel, No. 9 First main Road, United India colony, Kodambakkam, Chennai – 600024, to transact the following business:

**ORDINARY BUSINESS**

1. To consider and adopt Audited Financial Statements of the Company for the Financial Year ended 31st March, 2018, the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended on 31st March 2018, together with the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and the same are hereby considered and adopted.”

**SPECIAL BUSINESS**

2. **Appointment of Mr. C.V. Ravi as Independent Director:**

To consider and if thought it, to pass, with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and pursuant to the applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modification or amendment thereof, Mr. Chakravarthi Varadachari Ravi (DIN 01655748), who was appointed as an Additional Director of the Company with effect from 01/12/2017 under Section 161 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term upto five consecutive years commencing from 01/12/2017.

3. **Appointment of Mrs. V.N.Parvathy (DIN 07134810) as Director:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Mrs. V. N. Parvathy, who was appointed as an Additional Director with effect from 12<sup>th</sup> January 2018 on the Board of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting and in respect of whom a notice has been received from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for the office of a Director, be and is hereby appointed as a director of the company.”

4. **Approval of appointment of Mr. V. Venkataramanan (DIN 00162091) as Whole Time director:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with Schedule V to the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the appointment and terms of remuneration of Mr. V. Venkataramanan (DIN 00162091) as Whole Time Director and Chief Financial Officer of the Company for a period of five years with effect from November 1, 2017 upon the terms and conditions as set out in the Explanatory Statement annexed to the Notice with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr.V. Venkataramanan.”

**BY THE ORDER OF THE BOARD**

Place: Chennai  
Date: 10/08/2018

**V. Venkataramanan**  
Whole Time Director & CFO  
(DIN: 00162091)

## NOTES:

1. As per the provisions of Section 152 (6) (d), Directors are liable to retire by rotation at every annual general meeting. As the present Board of Directors consists of one Whole-time Director cum CFO (Mr. V. Venkataramanan) and one Independent Director (Mr. Kalyanaraman Rajagopal) they are not liable to retire by rotation. The other Two Directors (Mr. C.V.Ravi and Mrs.V.N.Parvathy) were appointed as additional directors on the board, their term of office expires on the ensuing Annual General Meeting. Hence, none of the Directors are liable to retire by rotation, during the year under review. No resolution is proposed in this regard.
2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such a proxy need not be a member of the company. Proxies in order to be effective should be lodged with the company not later than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the company will remain Closed from 21<sup>st</sup> September, 2018 to 27<sup>th</sup> September, 2018 (Both days inclusive).
4. Members/proxies are requested to bring the Attendance slip duly filled in for attending the Meeting.
5. All documents referred to in the above notice/explanatory statement are open for inspection by any members at the Registered Office of the Company during business hours of the Company on any working day up to the last date of the AGM.
6. The facility for voting, through ballot paper, will be made available at the AGM and the members attending the AGM who have not already cast their votes by e-voting shall exercise their rights at the AGM through ballot papers.
7. In line with the Green Initiative of the Ministry of Corporate Affairs, your Company has decided to send all correspondence like notices of general meetings, abstracts, audited financial statements (Annual Reports) through electronic means to the registered e-mail addresses of the Shareholders. Shareholders are requested to note that the said documents would also be available on the Company's website [www.pentamedia.in](http://www.pentamedia.in) from where it can be downloaded. In case any Shareholder desires to receive the above document(s) in physical form, such Shareholder is required to send an e-mail [investor@pentamedia.in](mailto:investor@pentamedia.in) quoting DP Id and Client Id Number in case the shares are held in electronic form and Folio Number in case the shares are held in physical form. Members, who have not registered their e-mail addresses, are requested to register their e-mail addresses with (i) the Depository Participant(s) if the shares are held in electronic form and (ii) with the Company / Registrar & Share Transfer Agent of the Company, if the shares are held in physical form.
8. Voting through electronic means-
  - a. In compliance with the provisions of Regulation 44 of SEBI (LODR) Regulations, 2015, Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide the members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - b. The e-voting period commences on Monday, 24<sup>th</sup> September, 2018 at 9.00 a.m. and ends on Wednesday 26<sup>th</sup> September, 2018 at 05.00 p.m. The cut-off date for determining the eligibility of members for e-voting and poll is Thursday, 20<sup>th</sup> day of September, 2018. The e-voting module shall be disabled by CDSL for voting thereafter.
  - c. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

### **The instructions for shareholders voting electronically are as under:**

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on Shareholders.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.

- v. If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN of PENTAMEDIA GRAPHICS LIMITED on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi. If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s)/folio numbers for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
10. The Board of Directors has appointed Mr. G. Porselvam, Practicing Company Secretary as the Scrutinizer for conducting remote e-voting process in a fair and transparent manner.
  11. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizers Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  12. The Results declared along with the Scrutinizers Report shall be placed on the Company’s website <http://pentamedia.in> and on the website of CDSL and the same can be communicated to the Stock Exchanges.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO.2

The Board of Directors of the Company, on the recommendation of the Nomination, Remuneration and Compensation Committee, have appointed Mr. C V Ravi as Additional Director (Independent) of the Company on 01/12/2017 to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”).

Additional Director, Mr. C V Ravi holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the “Act”) signifying his intention to propose the appointment of Mr. C V Ravi as a Director of the Company. The Company has also received a declaration from Mr. C V Ravi confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. C V Ravi is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company. In the opinion of the Board, Mr. C V Ravi fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

A brief profile along with other details of Mr. C V Ravi is as follows:-

NAME	Mr. C V Ravi
DIN	01655748
ADDRESS	9, Raja Street, Flat No 7, Sivakami Apartments, T. Nagar, Chennai - 600017
Date of Birth, Age	03/08/1951; age 67
Date of Appointment	01/12/2017
Educational Qualification	Post Graduate in Economics from University of Madras and Diploma in Marketing from Loyola Institute of Management
Experience	More than 18 years of Experience in Sanmar Engineering Corporation and also had brief stint of 3 years with Sanguine Media. Now is working a consultant to the Media Industry
No. of Shares held by him	Nil

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day and is also available on the website of the Company www.pentamedia.in. Mr. C V Ravi is not related to any other Director and Key Managerial Personnel of the Company.

The board recommends passing of the resolution as set out in item No. 2 of this Notice in the best interest of the company.

**Memorandum of Interest:-**

None of the Directors or Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in passing of the resolution.

**ITEM NO.3:**

To comply with the requirement of Companies Act, 2013 and SEBI (LODR) Regulation, 2015, with respect to appointment of Women director, the board has appointed Mrs. V.N.Parvathy as an Additional Director with effect from 12<sup>th</sup> January 2018 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting. In this respect the company has received request from a member in writing, under Section 160 of the Companies Act, 2013 along with requisite deposit, proposing her candidature for appointment as Director of the Company.

Considering the knowledge, experience and efforts of Mrs. V.N.Parvathy, the Board feels that presence of her on the board is desirable and would be beneficial to the company and hence recommend resolution for adoption.

A brief profile along with other details of Mrs. V.N.Parvathy is as follows:-

NAME	V N PARVATHY
DIN	07134870
ADDRESS	No.3C, Sagas Manor 1A 3rd Street, B.N.Road, T.Nagar, Chennai 600017
Date of Birth, Age	27/07/1955; age 63
Date of Appointment	12/01/2018
Educational Qualification	She is a graduate from Osmania University and also has Diploma in Finance from IIM Ahemadabad,
Experience	She took over the Franchisee of leading Stock Broking Company and have in "excellence of performance" award during the 2003-04 and now.She presently in the portfolio management
No. of Shares held by her	NIL

Your approval is required for the appointment of Mrs. V.N.Parvathy as Director of the company

The board recommend passing of the resolution as set out in Item No. 3 of this notice

**Memorandum of Interest:-**

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in passing of the resolution.

**ITEM NO.4**

Mr. V Venkataramanan was associated with the company as Chief Financial Officer for past 3 years. In appreciation of his services and to utilize his expertise and knowledge, Board has appointed him as Whole time Director on 01/11/2017 on following terms:

A. Period:

Effective from 1st November, 2017 till 31st October, 2020 with the liberty to either party to terminate the appointment on three months' notice in writing to the other.

**B. Remuneration:**

A Consolidated pay of Rs. 75000/- per month will be paid

A brief profile along with other details of Mr. V Venkataraman is as follows:-

NAME	V Venkataraman
DIN	00162091
ADDRESS	No.3B, 51st Street 9th Sector, K.K.Nagar, Chennai- 600078
Date of Birth, Age	22/07/1955; age 63
Date of Appointment	01/11/2017
Educational Qualification	Graduate in Economics from University of Madras & Cost Accountant
Experience	Around 12 years of experience M/s. W.S. Industries Limited and have been in the Software\,Media and Entertainment Industry for more than 20 years
No. of Shares held by him	400

As per provisions of Section 196(4), appointment of Whole time director has to be approved by the members at the next general meeting.

Board recommends passing of this resolution as set out Item no 4 of said notice.

**Memorandum of Interest:-**

Except Mr. V. Venkataraman, None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way concerned or interested in passing of the resolution.



## DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

### DEAR MEMBERS,

Your Board of Directors we are presenting herewith the Forty Second Annual Report on the business and operations of your company together with the Audited Financial Statements for the year ended 31st March, 2018. The Management Discussion and Analysis is given as part of this Report

### FINANCIAL PERFORMANCE:

(Rs. In Crores)

PARTICULARS	Year Ended 31 <sup>st</sup> March 2018	Year Ended 31 <sup>st</sup> March 2017
Revenue from Operations	3.24	4.24
Other Income	0.00	5.74
Total Income	3.24	9.98
Total Expenses	3.30	9.54
Exceptional Items	Nil	Nil
Profit Before Tax	(.06)	0.44
Provision for Taxation (net) / Deferred Tax	0.17	0.41
Profit after Tax	0.11	0.85

The board of directors have taken note that company performance has not been to the desired level. This is mainly due to the adverse condition prevailing in animation film industry in India. The board is working on restructuring the business in order to substantially improve the performance of the company

### BUSINESS OVERVIEW:

The Company was mainly into System Integration and Training for Corporates. It also conducted seminars and workshop imparting hands on training for various colleges, institutions and schools. The Company also developed APP for leading Multiplexes to sell their Food and Beverages.

The Company is vigorously working for the marketing of its animation film "Mustafa & the Magician in the overseas market. The Company is also in talks with the Netflix and Amazon Prime for streaming film through internet.

### DIVIDEND:

Taking into account overall financial performances of the Company Your Directors do not recommend any dividend for the financial year 2017-18. Consequently, no amount is transferred to General Reserve Account.

### SHARE CAPITAL:

The paid-up equity share capital of the Company as on 31st March 2018 stood at Rs.41.50 Crore. During the year under review, the Company has not raised its issued capital with different voting rights nor has granted any stock options or sweat equity and none of the directors hold instruments is to be converted as equity shares as on 31st March 2018.

### DEPOSITS

During the year under review, Your Company has not accepted any Deposits within the meaning of provisions of Chapter V of the Companies Act 2013 (Acceptance of Deposits by Companies) read with the Companies (Acceptance of Deposits) Rules, 2014.

### RISK MANAGEMENT

Your Company has a robust Risk Management Policy, the Company through a steering committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. A detailed Risk Management policy of the Company to have good Corporate Governance is hosted in the Company's official website [www.pentamedia.in](http://www.pentamedia.in)

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has adequate internal control systems combined with Delegation of Powers and periodical review of the process. The control system is also supported by internal audits and management reviews of documented policies and procedures.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Management of the Company was carried out by:

1. Mr.R. Kalyanaraman
2. Mr. V. Venkataramanan
3. Mr. C. V. Ravi
4. Mrs. Parvathy

During the year under review following Appointment/Resignations has taken place,

Name	Appointment /resignation	Designation	Date
Mr. V. Chandrasekaran	Resigned	Managing Director	31/10/2017
Mr. V.Venkataramanan	<b>Appointed</b>	Whole-time Director	01/11/2017
Mr. R. Swaminathan	Resigned	Director	30/11/2017
Mr. B. Karthick	Resigned	Company Secretary	30/11/2017
Mr. C.V.Ravi	<b>Appointed</b>	Additional Director	01/12/2017
Mrs. S. Sumathi	Resigned	Director	29/12/2017
Mrs. V. N. Parvathy	<b>Appointed</b>	Additional Director	12/01/2018

**Mr. V. Chandrasekaran's** term ended as Managing Director with effect from 31<sup>st</sup> October 2017. He did not seek extension and also got relieved as Director, due to health reasons. He was involved with the company from the inception and it is his vision and relentless efforts which enabled the company to grow into a renowned Global organization. During his illustrious tenure as CEO, The Company adopted pioneering Technologies in Media and won many Prestigious International and National Awards. The Management places on Record its Appreciation and Gratitude for the great service rendered by him.

**Mrs. Sumathi Sridharan**, resigned from the post with effect from 29<sup>th</sup> December 2017 due to personal reasons. She enabled the Company to attain leadership Position in Software and Media Technology Training. The Management places on record its appreciation for her services.

### EVALUATION OF BOARD'S PERFORMANCE

As per the provisions of Section 134(3)(p) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors carried out annual performance evaluation of the Board, the directors individually as well as evaluation of the working of its Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

### MANAGEMENT DISCUSSION & ANALYSIS

Although Media industry in India is growing at a very healthy rate of about 15% CAGR, Animation film Industry continues to suffer and has negligible share in the total market. This is basically because the Animation Movies are still perceived to be Children's category in India. Foreign Animation film producers like Disney, Pixar and others are spending huge resources, which are 30 to 40 times the amount being spent by the Indian animation film producers. This makes the quality of Their Production far superior and the Indian Animation Film Industry is unable to compete with these high-quality films in the global market. In addition, substantial amount must be spent in promotion and prerelease activities for the animation films rendering them unviable.

With the advent of Cloud computing and availability of shared High cost Computer resources Individual animators and Small groups with necessary skills can produce special effects and computer graphics required for live action film industry at a very low cost making it not possible for the corporate to compete. Though quality and creativity are well appreciated by the media industry they are not well rewarded with revenues.

These aspects have been analyzed and The Management has decided to discontinue the production of animation films. The Management proposes to leverage its Brand Equity with outsourced Contents to build a resilient Business Model. The company is also in the process of entering Rights acquisition and Distribution of Live action films, with the objective of reducing the turnaround period of resources and maximizing the revenue and profits. The company plans to enter streaming and broadcasting industry which are growing at a very rapid rate. The management is reasonably confident with this restructuring of the business model; they will be able to generate healthy revenue and profits with a sustained growth and bring back the Company to its past glory.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “**Annexure 1**” as per section 92 of the Companies Act 2013.

## **NUMBER OF THE MEETINGS OF THE BOARD**

The Board had met Eight (8) times during the financial year ended 31st March 2018, on 29/05/2017, 12/07/2017, 24/07/2017, 28/07/2017, 30/10/2017, 15/12/2017, 12/01/2017 and 29/03/2018. Particulars of meetings held and attended by each Director are detailed in the Corporate Governance Report, which forms part of this Report.

## **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The details of familiarization programmes to Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: [www.pentamedia.in](http://www.pentamedia.in).

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 (Act) stating that the Independent Directors of the Company met with the criteria of Independence laid down in Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The complete details of loans, guarantees and Investments as per the provisions of Section 186 of Companies Act 2013 are given in the notes on accounts of the financial statements.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has taken steps to establish the Vigil Mechanism/Whistle Blower Policy as is stipulated in the Regulation 22 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Pursuant to Section 177(9) & 177(10) of the Companies Act 2013. This provides a mechanism to raise concerns about actual or suspected frauds, unethical behavior, safeguards against victimization of employees, etc, and the same has been posted in the official website of the Company [www.pentamedia.in](http://www.pentamedia.in).

## **NOMINATION AND REMUNERATION COMMITTEE**

Pursuant to Section 178 of the Companies Act, 2013, the Board has constituted a Nomination and Remuneration Committee consisting of the following members

Mr. Kalyanaraman :	Chairperson
Mr. C V Ravi :	Member
Mr. V.N.Parvathy :	Member

The said committee has been empowered and authorized to exercise powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company had laid out and following the policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub section 3 of Section 178 of the Companies Act, 2013.

Policy on Criteria for Board Nomination and Remuneration policy is available in the website of the Company link [www.pentamedia.in](http://www.pentamedia.in).

## **RELATED PARTY TRANSACTIONS**

The Audit Committee and the Board of Directors have approved the Related Party Transactions Policy and the same has been uploaded on the Company's website [www.pentamedia.in](http://www.pentamedia.in). The Company has a process in place to periodically review and monitor Related Party Transactions. All the related party transactions were in the ordinary course of business and at arm's length, disclosure of the same is made in AOC 2 “**Annexure 2**” to this report. There were no materially significant related party transactions that may have conflict with interest of the Company

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3)(c) of the Companies Act, 2013, in relation to the Annual Financial Statements for the Financial Year 2017-2018, your Directors confirm that:

- a) The Financial Statements of the Company comprising of the Balance Sheet as at 31 March, 2018 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following as per the applicable accounting standards along with proper explanation relating to material departures;
- b) Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at 31 March, 2018, and, of the profit of the Company for the year ended on that date; and
- c) Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.
- d) that the annual accounts for the year ended 31st March, 2018 have been prepared on a 'going concern' basis;
- e) that the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## STATUTORY AUDITORS

Pursuant to Section 139 of the Act and Rules made thereunder, Messrs. BabuPeram& Associates, Chartered Accountants were appointed as statutory auditors of the Company at the Annual General meeting held on 28<sup>th</sup> August, 2014 for a period of 5 years commencing from the closure of the 38<sup>th</sup> Annual general Meeting till the closure of the 43<sup>rd</sup> Annual General Meeting.

## INTERNAL AUDITORS

The Company has appointed M/s. Anand & Madhan, Chartered Accountants (Firm Reg. No.009671S), Chennai as Internal Auditors of the Company for the financial year 2017-18.

## SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed Ms. J. Anusuya, of M/s. J Anusuya& Associates Company Secretaries in Practice (CP No. 19510), Chennai to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed to this report as **Annexure -3**.

## EXPLANATION AND COMMENTS

The reports of Statutory Auditors and that of the Secretarial Auditors is self explanatory and have no adverse comments.

## INCOME TAX

Auditors Observation

### 1. For the AYs 1996-97, 1997-98 & 1998-99

*The Company is a 100% EOU registered under STP/EHTP scheme. Units under STP /EHTP are eligible for providing training. As per the Notification No. SO388 (E) dated 30.04.1995 in clause 2.12 permitted " Use of Computer system in STP for Training purpose will be allowed subject to the condition that no computer terminal will be installed outside the STP for this purpose".*

*EOUs are eligible for 100% exemption of profit from Income Tax as per 2<sup>nd</sup> proviso to sub section 1 Section 10 B.*

*Department has ignored these facts while making the demand and the company is contesting the same*

### 2. For the AY 2000-01

*The demand is due to the erroneous valuation of Goodwill and interpretation of non compete fee. The company has contested the same through MP No.1 of 2012 there is also a stay order vide WP No. 2357/2010 dated 15.07.2010.*

### 3. For AYs 2001-02,2002-03, 2003-04 & 2004-05

*The Company has filed revised returns for the above years and has also obtained a court direction vide order 11.01.2010 to consider the revised returns filed. Hence no provisions have been made by the company.*

**4. For AYs 2004-05,2005-06 & 2006-07**

*The company has appealed against the same in the High Court of Madras and has obtained a stay order. When the revised returns are considered there will be no demand because of the carry forward losses.*

**5. For the AYs 2008-09,2009-10,2010-11,2012-13 2013-14 & 2014-15**

*These matters are now with the Commissioner of Income Tax (Appeals). These issues will be addressed when the revised returns filed by the company are taken up.*

**6. Pentasoftware Technologies (now merged with Pentamedia Graphics)**

*The company has filed the revised returns as per the Court orders for these issue same as above. When they are taken into consideration there will be no demand.*

**MATERIAL CHANGE**

There is no material change or commitments after the closure of the financial year.

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

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2017-18.

No. of complaints received – Nil

No. of complaints disposed off – Not Applicable

**COMPOSITION OF AUDIT COMMITTEE.**

Pursuant to Section 177 of the Companies Act, 2013, the Audit Committee was constituted by the Board of Directors and consists of the following members:

Mr. R. Kalyanaraman : Chairperson

Mr. C V. Ravi : Member

Mrs. V.N.Parvathy : Member

The Board has accepted the recommendations of the Audit Committee and there were no incidences of deviation from such recommendations during the financial year under review.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

The Company through its Corporate Social Responsibility Committee had formulated a CSR policy as required under Section 135 of the Companies Act, 2013.

The following is the composition of the Corporate Social Responsibility Committee.

Mr. R. Kalyanaraman : Chairperson

Mr. C V. Ravi : Member

Mrs. V.N.Parvathy : Member

**SCOPE OF CSR POLICY**

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices.

The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act 2013 and the rules framed there under, as amended from time to time.

**CSR POLICY IMPLEMENTATION**

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The CSR Policy of the Company is uploaded in the website of the Company [www.pentamedia.in](http://www.pentamedia.in).

The spending on CSR activities is not applicable to our Company.

## **VIGIL MECHANISM**

The Company has devised a vigil mechanism in pursuance of provisions of Section 177(10) of the Companies Act, 2013 for Directors and employees to report genuine concerns or grievances to the Audit Committee in this regard and details whereof are available on the Company's website.

## **CORPORATE GOVERNANCE REPORT**

All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations.

In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 a Report on Corporate Governance along with a Certificate from the Practicing Chartered Accountant confirming the compliance with the conditions of Corporate Governance as stipulated under Part E of Schedule V of Sub-Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report "Annexure 4".

## **HUMAN RESOURCES**

The Company takes pride in the commitment, competence and dedication shown by its employees (including outsourced) in all areas of business. The Company is committed to nurturing, enhancing and retaining top talent through superior learning & organization development as a part of Corporate HR function. It is a critical pillar to support the organization growth and its sustainability over the long run.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO:**

Your Company is into the business of Production of Digital Contents for Film, Television & Internet and Development of APPs on Mobile, Tablet. Since this business does not involve any manufacturing activity, most of the Information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, are Not applicable.

However the information, as applicable, is given hereunder:

### **a) CONSERVATION OF ENERGY**

The Company is taking all the measurements for optimal use of energy to avoid wastages and conserve energy as far as possible.

### **b) TECHNOLOGY ABSORPTION**

Your Company is continuously absorbing and applying the latest state of art technology in Digital Media & Software for Content creation, APPs Development & Skill Development Training

### **c) FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, foreign exchange earnings & outgo is Nil

## **PARTICULARS OF EMPLOYEES**

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also attached as Annexure 5 to the Board's Report.

## **LISTING OF SECURITIES IN STOCK EXCHANGES**

The Company's Equity Shares are presently listed on BSE Ltd & GDRs listed on Luxembourg Stock Exchange.

## **ACKNOWLEDGEMENTS**

Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments, Regulatory authorities, Banks & Financial Institutions, Colleges/ Universities, Educational Institutes and Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, BSE Ltd. and Depositories and other stakeholders viz., Distributors, Vendors, Investors & Employees.

Place: Chennai

Date: 10/08/2018

On behalf of the Board of Directors

**V Venkataramanan**  
Director

**R Kalyanaraman**  
Director

**ANNEXURE 1****Form NO. MGT-9****EXTRACT OF THE ANNUAL RETURN****As on the Financial year ended on 31st March 2018**

Pursuant to Section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

**I. REGISTRATION AND OTHER DETAILS:**

CIN	L74210TN1976PLC007142
Registration Date	06,May,1976
Name of the Company	Pentamedia Graphics Limited
Company/Sub - Category of the Company	Company Limited by Shares /Indian- non GovernmentCompany
Address of the Restered Office and contact details	No 30 A First Cross Street, Akabarabad, Kodambakkam, Chennai - 600 024 <a href="mailto:shares@pentamedia.in">shares@pentamedia.in</a> Ph. 044 24833067 Fax 24726042
Whether listed Company Yes/No	Yes
Name, Address and Contact details of	M/s.Cameo Coprorate Services Limited Unit: "Pentamedia Graphics Limited" Registrar and Transfer Agent, if any "Subramaniam Building" No.1 Club House Road Anna Salai, Chennai - 600002 Tel: 044 28460390 ( 5 Lines) Fax: 044- 28460129 Email: investor@cameoindia.com Website: www.cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

S. No.	Name and Description of the main product/services	NIC Code of the Product/Service	% total turnover of the company
1	Computer programming, consultancy & related products	6201	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary / Associate section	% of shares held	Applicable Section
NIL					

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### (i) Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	60239891	0	60239891	14.5147	80239891	0	80239891	19.3336	4.8189
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>60239891</b>	<b>0</b>	<b>60239891</b>	<b>14.5147</b>	<b>80239891</b>	<b>0</b>	<b>80239891</b>	<b>19.3336</b>	<b>4.8189</b>
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>60239891</b>	<b>0</b>	<b>60239891</b>	<b>14.5147</b>	<b>80239891</b>	<b>0</b>	<b>80239891</b>	<b>19.3336</b>	<b>4.8189</b>
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	450	100	550	0.0001	450	100	550	0.0001	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	61055096	220	61055316	14.7111	41055096	220	41055316	9.8922	-4.8189
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	21093	21093	0.0050	0	21093	21093	0.0050	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	<b>SUB - TOTAL (B)(1)</b>	<b>61055546</b>	<b>21413</b>	<b>61076959</b>	<b>14.7164</b>	<b>41055546</b>	<b>21413</b>	<b>41076959</b>	<b>9.8974</b>	<b>-4.8189</b>



Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	28099145	17078	28116223	6.7745	24792516	17138	24809654	5.9778	-0.7967
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	181094744	549502	181644246	43.7669	180563780	568620	181132400	43.6436	-0.1233
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	63051277	0	63051277	15.1921	64991720	0	64991720	15.6596	0.4675
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	105925	0	105925	0.0255	160909	0	160909	0.0387	0.0132
	FOREIGN NATIONALS	4	0	4	0.0000	4	0	4	0.0000	0.0000
	HINDU UNDIVIDED FAMILIES	15294112	1539	15295651	3.6854	15731330	1539	15732869	3.7908	0.1053
	NON RESIDENT INDIANS	5283992	170655	5454647	1.3142	6670418	169995	6840413	1.6481	0.3338
	OVERSEAS CORPORATE BODIES	1236	0	1236	0.0002	1236	0	1236	0.0002	0.0000
	TRUSTS	40109	0	40109	0.0096	40113	0	40113	0.0096	0.0000
		20725378	172194	20897572	5.0352	22604010	171534	22775544	5.4877	0.4524
	<b>SUB - TOTAL (B)(2)</b>	<b>292970544</b>	<b>738774</b>	<b>293709318</b>	<b>70.7688</b>	<b>292952026</b>	<b>757292</b>	<b>293709318</b>	<b>70.7688</b>	<b>0.0000</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>354026090</b>	<b>760187</b>	<b>354786277</b>	<b>85.4852</b>	<b>334007572</b>	<b>778705</b>	<b>334786277</b>	<b>80.6663</b>	<b>-4.8189</b>
	<b>TOTAL (A)+(B)</b>	<b>414265981</b>	<b>760187</b>	<b>415026168</b>	<b>100.0000</b>	<b>414247463</b>	<b>778705</b>	<b>415026168</b>	<b>100.0000</b>	<b>0.0000</b>
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>414265981</b>	<b>760187</b>	<b>415026168</b>	<b>100.0000</b>	<b>414247463</b>	<b>778705</b>	<b>415026168</b>	<b>100.0000</b>	<b>0.0000</b>

## ii. Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	VESA HOLDINGS PVT. LTD.	41758385	10.0616	0.0000	61758385	14.8806	0.0000	4.8189
1	VESA HOLDINGS PVT LTD	48000	0.0115	0.0000	48000	0.0115	0.0000	0.0000
2	PENTAFOUR SOFTWARE EMPLOYEES WELFARE FOUNDATION	18421506	4.4386	0.0000	18421506	4.4386	0.0000	0.0000
2	PENTAFOUR SOFTWARE EMPLOYEES WELFARE FOUNDATION	12000	0.0028	0.0000	12000	0.0028	0.0000	0.0000

### iii. Change in promoter shareholding

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	VESA HOLDINGS PVT. LTD.				
	At the beginning of the year 01-Apr-2017	41758385	10.0616	41758385	10.0616
	Purchase 30-Jun-2017	20000000	4.8189	61758385	14.8806
	At the end of the Year 31-Mar-2018	61758385	14.8806	61758385	14.8806
1	VESA HOLDINGS PVT LTD				
	At the beginning of the year 01-Apr-2017	48000	0.0115	48000	0.0115
	At the end of the Year 31-Mar-2018	48000	0.0115	48000	0.0115
2	PENTAFOUR SOFTWARE EMPLOYEES WELFARE FOUNDATION				
	At the beginning of the year 01-Apr-2017	18421506	4.4386	18421506	4.4386
	At the end of the Year 31-Mar-2018	18421506	4.4386	18421506	4.4386
2	PENTAFOUR SOFTWARE EMPLOYEES WELFARE FOUNDATION				
	At the beginning of the year 01-Apr-2017	12000	0.0028	12000	0.0028
	At the end of the Year 31-Mar-2018	12000	0.0028	12000	0.0028

### iv. Shareholding pattern of top ten shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

SI No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	KOTAK MAHINDRA BANK LTD				
	At the beginning of the year	60000000	14.4569	60000000	14.4569
	change during the year	-20000000	4.8189	40000000	9.6379
	At the end of the Year	40000000	9.6379	40000000	9.6379
2	RADHASOAMI RESOURCES LTD				
	At the beginning of the year	6677796	1.6090	6677796	1.6090
	change during the year	-6677796	1.6090	0	0.0000
	At the end of the Year	0	0.0000	0	0.0000
2	RADHASOAMI RESOURCES LIMITED				
	At the beginning of the year	0	0.0000	0	0.0000
	change during the year	6677796	1.6090	6677796	1.6090
	At the end of the Year	6677796	1.6090	6677796	1.6090
3	GAYAGOVIND MONINATH PANDEY				
	At the beginning of the year	--	--	--	--
	change during the year	4761200	1.1472	4761200	1.1472
	At the end of the Year	4761200	1.1472	4761200	1.1472
4	ASHWIN SHANTILAL SHAH				
	At the beginning of the year	4000000	0.9637	4000000	0.9637
	change during the year	--	--	--	--
	At the end of the Year	4000000	0.9637	4000000	0.9637

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
5	KAMLESH GAYAGOBIND PANDEY JT1 : ADITI				
	At the beginning of the year	3913829	0.9430	3913829	0.9430
	change during the year	--	--	--	--
	At the end of the Year	3913829	0.9430	3913829	0.9430
5	KAMLESH GAYAGOBIND PANDEY JT1 : ADITI KAMLESH PANDEY				
	At the beginning of the year	1776263	0.4279	1776263	0.4279
	change during the year	-450000	0.1084	1326263	0.3195
	At the end of the Year 31-Mar-2018	1326263	0.3195	1326263	0.3195
6	SUDHA A SHAH				
	At the beginning of the year	3811000	0.9182	3811000	0.9182
	change during the year	--	--	--	--
	At the end of the Year	3811000	0.9182	3811000	0.9182
	HAVING SAME PAN				
6	SUDHA ASHWIN SHAH				
	At the beginning of the year	2489000	0.5997	2489000	0.5997
	change during the year	--	--	--	--
	At the end of the Year	2489000	0.5997	2489000	0.5997
7	PRAFUL MEHTA JT1 : DEEPAK MEHTA				
	At the beginning of the year	3056175	0.7363	3056175	0.7363
	change during the year	--	--	--	--
	At the end of the Year	3056175	0.7363	3056175	0.7363
8	P K ABDUL SAMAD				
	At the beginning of the year	2600000	0.6264	2600000	0.6264
	change during the year	765000	0.1843	3365000	0.8107
	At the end of the Year	3365000	0.8107	3365000	0.8107
9	HARSHAD SHANTILAL SHAH				
	At the beginning of the year	1694700	0.4083	1694700	0.4083
	At the end of the Year	1694700	0.4083	1694700	0.4083
10	HARISHKUMAR SAVDAS PATEL				
	At the beginning of the	1674614	0.4034	1674614	0.4034
	At the end of the Year	1674614	0.4034	1674614	0.4034
	NEW TOP 10 AS ON (31-Mar-2018)				

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	Chandrasekaran V**				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil
2	Sumathi Sridharan**				
	At the beginning of the year	10000	0	10000	
	At the end of the Year				
3	Kalyanaraman R				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil
4	Swaminathan R**				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil
5	V Venkataramanan*				
	At the beginning of the year	400	0	400	0
	At the end of the Year				
6	B Karthick**				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil
7	C V Ravi*				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil
8	V N Parvathy *				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the Year	Nil	Nil	Nil	Nil

\* Appointed during the year

\*\*Resigned during the year

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	Nil	210000	Nil	210000
ii. Interest due but not paid	Nil	0	Nil	0
iii. Interest accrued but not due	Nil	0	Nil	0
TOTAL (i+ii+iii)	Nil	210000	Nil	210000
<b>Change in Indebtedness during the financial year</b>				
• Addition	Nil	0	Nil	0
• Reduction	Nil	0	Nil	0
<b>Net Change</b>	Nil	0	Nil	0
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	Nil	210000	Nil	210000
ii. Interest due but not paid	Nil	0	Nil	0
iii. Interest accrued but not due	Nil	0	Nil	0
TOTAL (i+ii+iii)	Nil	210000	Nil	210000

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****In Lakhs****A. Remuneration to managing director, whole-time directors and/or manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		MD	WTD	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14.00	3.00	17.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	0	0
2.	Stock Option	NIL		
3.	Sweat Equity	NIL		
4.	Commission			
	- as % of profit	NIL		
	- Others, specify...			
5.	Others, please specify	NIL		
	Total (A)	14.00	3.00	17.00
	Ceiling as per the Act	5% of net profit		

**REMUNERATION TO OTHER DIRECTORS:**

Particulars of remuneration	Name of directors				
	Mr. R Swaminathan	Mrs Sumathi Sridharan	Mr. R Kalyanaraman	Mr.C V Ravi	Mr. S.V N Parvathy
1 Independent directors					
Fees or attending board committee meeting	32000	29500	51000	19000	13500
Commission	0	0	0	0	0
Others, please specify	0	0	0	0	0
Total (1)	32000	29500	51000	19000	13500
2 Non executive directors					
Fees or attending board committee meeting	0	0	0	0	0
Commission	0	0	0	0	0
Others, please specify	0	0	0	0	0
Total (2)	0	0	0	0	0
Total (B)=(1+2)	32000	29500	51000	19000	13500
Total managerial remuneration	32000	29500	51000	19000	13500

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

S. No	Particulars of remuneration	Key managerial personal	Total amount
		Mr. V VENKATARAMANAN, CFO	
1	Gross salary	3.00	3.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	as % of profit		
	Others, please specify		
5	Others, please specify	NIL	NIL
	Total		

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL				
<b>B. DIRECTOS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL				
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## CORPORATE GOVERNANCE REPORT

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes in and adheres to good corporate governance practices, implements policies and guidelines, communicates and trains all its stakeholders to develop a culture of compliance at every level of the organization. The Company's philosophy is aimed at assisting the management of the Company in the efficient conduct of the business and in meeting its obligations to all its stakeholders.

The Company is in compliance with the provisions of Corporate Governance specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations).

### II. BOARD OF DIRECTORS

#### Composition

The Board consisted of 4(Four) members as at 31st March, 2018 with knowledge and experience in different fields. The Board has a balanced mix of Executive and Non-executive directors and one half of the Board members are Independent Directors.

Executive Chairman	1
Non Executive Directors	1
Non Executive and Independent Directors	2

All independent directors possess the requisite qualifications and are experienced in their own fields. Directors, other than Independent Directors are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies, in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorships/ committee memberships and have been taken on record by the Board.

#### Relationship between Directors

None of the Directors of the Company are related to each other

#### Appointment of Directors

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March, 2018 are given below:

Name of Director	Category	No. of Directorships in other companies(a)		No. of Committee Memberships in other companies(b)	
		Chairman/ Director	Member	Chairman/ Director	Member
Mr.V.Venkataramanan	Executive, Whole-Time-Director	1	NIL	NIL	NIL
Mr. R. Kalyanaraman	Non Executive and Independent	4	4	NIL	NIL
Mrs.V.N.Parvathy	Non Executive and Non-Independent	2	2	NIL	NIL
Mr..C.V.Ravi	Non Executive and Independent	NIL	NIL	NIL	NIL

Notes:

- a. Other directorships exclude foreign companies, private limited companies and alternate directorships.
- b. Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships

## Board Meetings

The Board has formal schedule of matters reserved for its consideration, discussion and decision. The agenda is circulated well in advance to the Board members. The items in the agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Part A of Schedule II of Sub- Regulation 7 of Regulation 17 of the Listing Regulations, the Board is also kept informed of major events/items and approvals have been taken wherever necessary for making investments, ensuring adequate availability of financial resources and periodically consider the report on compliance of applicable laws and gives appropriate directions.

The Board also reviews the Board Meeting minutes and financial statements and also takes on record the Committee meeting minutes.

The Board of Directors met seven times during the financial year ended 31st March, 2018 - on 29<sup>th</sup> May 2017, 12<sup>th</sup> July 2017, 28<sup>th</sup> July 2017, 30<sup>th</sup> October 2017, 15<sup>th</sup> December 2017, 12<sup>th</sup> January 2018 and 29<sup>th</sup> March 2018. The maximum gap between any two meetings was less than one hundred and twenty days. During the year, separate meeting of the Independent Directors was held on 29<sup>th</sup> March 2018 without the attendance of non-independent directors and members of the management.

### Details Of Board Members As On 31st March, 2018 And Attendance At Board & General Meetings

S. No	Date	Board Strength	No. of Directors present
1	29.05.2017	4	4
2	12.07.2017	4	4
3	28.07.2017	4	4
4	30.10.2017	4	3
5	15.12.2017	4	4
6	12.01.2018	4	4
7	29.03.2018	4	4

The company places before the Board all those details as required under Part A of Schedule II of Sub-Regulation 7 of Regulation 17 of the Listing Regulations. The dates for the board meetings are mixed well in advance after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The management appraises the Board on the overall performance of the company at every board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews the performance, approves capital expenditures, sets the strategy that the company should follow and ensures financial stability. The Board reviews and takes on record the actions taken by the company on all its decisions periodically.

### Attendance of each Director at Board Meetings and at the previous Annual General Meeting (AGM)

S. No	Name	Date of appointment/ resignation	No. of Board Meetings held	No. of meetings present	Attendance at the last AGM
1	Mr. V. Chandrasekaran	31/10/2017**	4	4	Yes
2	Mr.R.Kalyanaraman	Nil	7	7	Yes
3	Mrs. Sumathi Sridharan	29/12/2017**	5	4	Yes
4	Mr.V.Venkataramanan	01/11/2017*	3	3	Yes***
5	Mr. R. Swaminathan	30/11/2017**	4	4	Yes
6	Mrs.V.N.Parvathy	12/01/2018*	2	2	NO
7	Mr.C.V.Ravi	15/12/2018*	3	3	NO

\* **Date of appointment**

\*\***Date of resignation**

\*\*\* **Attended the last AGM as Chief Financial Officer**



## Board Procedure

The Directors are elected based on their qualifications and experience in varied fields as well as company's business needs. The Nomination and Remuneration Committee, recommends the appointment of Directors to the Board. At the time of induction on the Board of the Company, an invitation to join the Board of the Company is sent and a directors' handbook comprising a compendium of the role, powers and duties to be performed by a Director is given to the new Director. Presentation is also made to the new Director regarding the business and other details of the Company.

### Details of directors seeking reappointment

The Board of Directors consists of one Whole-time Director cum CFO (Mr. V. Venkataraman) and one Independent Director (Mr. Kalyanaraman Rajagopal) they are not liable to retire by rotation. The other Two Directors (Mr. C.V.Ravi and Mrs.V.N.Parvathy) were appointed as additional directors on the board to meet out the requirements of the Act. Their term of office expires on the ensuing Annual General Meeting.

Hence, none of the Directors are liable to retire by rotation, during the year under review no resolution was proposed in this regard.

## III. BOARD COMMITTEES

### 1. Audit Committee

Overall Purpose/ Objective

**The role of Audit Committee** in brief is to review the financial statements, internal controls, accounting policies and internal audit reports.

**The purpose of the Audit Committee** (the "Committee") is to assist the Board of Directors (the "Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls which management and the Board have established, appointing, retaining and reviewing the performance of independent accountants / internal auditors and overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements.

### Composition

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations, the Company has already in place an Audit Committee with Mr.R. Kalyanaraman, Director (DIN: 00041770) as the Chairman. The Committee consists of 2 independent Directors and 1 non-executive Director. All the members of the Committee have excellent financial & accounting knowledge.

The erstwhile Chairman of the Audit Committee was present at the previous Annual General Meeting of the company held on 23<sup>rd</sup> August 2018.

### Terms of Reference

The terms of reference of the audit committee covers all matters specified in Part C of Schedule II of Sub-Regulation 3 of Regulation 18 of the Listing Regulations and also those specified in section 177 of the Companies Act 2013. The terms of reference broadly include review of internal audit reports, action taken reports and assessment of the efficacy of the internal control systems/ financial reporting systems as well as reviewing the adequacy of the financial policies and practices followed by the company. The audit committee reviews the compliance with reference to legal and statutory requirements, the quarterly and annual financial statements and related party transactions and reports its findings to the Board. The committee also recommends the appointment of internal auditor, statutory auditor and cost auditor for the company.

### Meetings

The Committee met seven times during the financial year ended 29<sup>th</sup> May 2017, 12<sup>th</sup> July 2017, 28<sup>th</sup> July 2017, 30<sup>th</sup> October 2017, 15<sup>th</sup> December 2017, 12<sup>th</sup> January 2018 and 29<sup>th</sup> March 2018 and the time gap between the two meetings did not exceed one hundred and twenty days.

Name of the Member	Chairman / Member	No. of Meetings Attended
Mr. R. Kalyanaraman	Chairman	5
Mr. .C.V.Ravi	Member	1
Mrs.V.N.Parvathy	Member	2

## 2. Stakeholders relationship committee

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Company has constituted a Stakeholders Relationship Committee with Mr.R.Kalayanaraman (DIN: 00041770), Director as the Chairman. The Stakeholders Relationship Committee of the Board looks into the redressal of the investors' complaints like non receipt of annual reports, dividend payments, change or deletion of name, issue of duplicate share certificates, dematerialization, re-materialisation, transfer, transmission, transposition, sub-division, consolidation and other allied transactions. The Board has also delegated to certain executives of the Company, powers to accomplish aforesaid objectives. The Committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges.

### Composition & Meetings

- The Committee met 1 (One) time, during the financial year ended 31st March, 2018 on 29.03.2018
- The Stakeholders Relationship Committee consists of 2 independent Directors and 1 non-executive Director.
- The composition of Stakeholders Relationship Committee and particulars of meetings attended by the members of the Committee are given below:

Name of Member	Chairman/Member	No. of meetings attended during the year 2017-18
Mr.R.Kalyanaraman	Chairman	1
Mr.C.V.Ravi	Member	1
Mrs.V.N.Parvathy	Member	1

- Mr.V.Venkataramanan, Whole-Time-Director is the Compliance Officer of the Company.
- Details of number of complaints received during the year are given below and Status of Investor Complaints as on 31st march 2018 and reported under Regulation 13 of the Listing Regulations are as follows:

Complaints' as on April 1, 2017	NIL
Received during the year	NIL
Resolved during the year	NIL
Pending as on March 31, 2018	NIL

## 3. Nomination and Remuneration Committee

Nomination and Remuneration Committee was constituted on 23rd May, 2014 pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations for identifying the persons who are qualified to become directors and who may be appointed in senior management cadre, in accordance with the criteria laid down, recommend to the Board their appointments and removal and shall carry out evaluation of every director's performance

The Nomination and Remuneration Committee has framed the criteria for determining qualifications, positive attributes and independence of a director and recommended to the Board policy relating to the remuneration for the directors, key managerial personnel and other employees.

- To formulate the criteria for appointment of directors / senior management including determining their qualifications, positive attributes and other key elements to ensure independence of directors.
- To recommend to the Board, their appointments including re-appointment and removal.
- To devise a policy on Board diversity
- To Identify persons, who are qualified to become directors/for appointment in senior management cadre
- To formulate criteria for evaluation of independent directors and Board and to carry out evaluation of every director's performance.
- To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- To recommend the remuneration package of the executive directors at the time of initial appointment
- To determine the increments in the remuneration of executive directors
- To devise annual incentive package of the executive directors
- To decide the minimum remuneration of executive directors in the event of inadequacy of profits
- To recommend to the Board, the remuneration including commission payable to non-executive directors subject to the limits laid down under the Act
- To exercise all powers and authority, which are necessary for implementation, administration and superintendence of the Employees Stock Option Schemes , if applicable

- To frame suitable policies and systems to ensure that there is no violation of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, by any employee.
- To deal any other items under the terms of reference, as may be required by the Committee to exercise pursuant to any law or changes thereof.

### Composition & Meetings

- The Committee met (2) times, during the financial year ended 31st March, 2017, 15.12.2017 and 12.02.2018
- The composition of Nomination and Remuneration Committee and particulars of meetings attended by the members of the Committee are given below:

Name & Category	Chairman / Member	No of meetings attended during the year 2017-2018
Mr. R. Kalyanaraman	Chairman	2
Mr. .C.V.Ravi	Member	2
Mrs.V.N.Parvathy	Member	2

### Criteria for Performance Evaluation

Section 178 read with Clause VII (3 a & b) & Clause VIII of Schedule IV of the Companies Act, 2013 lays down specific requirements on performance evaluation of Board/ Chairperson/Independent Directors. As per Part D of Schedule II of Listing Regulations, the Nomination and Remuneration Committee has to lay down the criteria for the above. The Committee had discussed in detail about the criteria to be adopted and process/format to be followed for evaluation of performance of Board/Committees and Directors. Based on the same, the evaluation process was completed for the year.

Parameters adopted as criteria for evaluation were as follows:

i) Attendance ii) Preparedness for the Meeting iii) Staying updated on developments iv) Active participation at the meetings v) Constructive contribution vi) Engaging with and challenging the management team without being confrontational or obstructionist vii) Speaking one's mind and being objective viii) Protection of interest of all stakeholders

### Performance Evaluation

Pursuant to the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, including Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment and safe guarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

### Remuneration Policy

The Board through the Nomination and Remuneration Committee adopted Remuneration policy pursuant to Section 178 of the Companies Act, 2013. This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

The Non-Executive Directors (NEDs) are entitled for remuneration by way of commission besides sitting fees. The distribution of commission amongst the NEDs is placed before the Board for its consideration and approval. The actual commission payable to Directors is restricted to a fixed sum. This sum is reviewed periodically taking into consideration various factors such as performance of the company, time spent by the Directors for attending to the affairs and business of the company and extent of responsibilities cast on Directors under general law and other relevant factors.

The Non-Executive Directors are also entitled for sitting fees as per the Articles of Association of the Company for every Board / Committee meeting attended by them.

## Remuneration Policy and Remuneration to Directors

Remuneration to Executive directors has been decided based on job profile, special skill requirements, number of years of experience and contribution made by the respective directors and consistent with the existing industry practice. As regard payment of sitting fees to Non –Executive Directors, the same is within the limits prescribed in the provisions of Sections 196,197 read with Schedule V of the Companies Act, 2013. The detail of remuneration paid to Executive Directors during the financial year 2017-18 is noted below:-

### (a) Executive Directors

Name	Salary/Allowance	Contribution to Funds	Value of Perquisites	Commission
Mr.V.Venkataramanan	3,00,000	Nil	Nil	Nil

### (b) Non Executive Directors:

The Non - Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and / or committees thereof. The Company does not have material pecuniary relationship or transactions with its non executive directors. The details of sitting fees paid, stock options granted and shares held by the non- executive directors are as under:

Name	Sitting Fees (in Rs.)	Stock Options granted	Shareholding in the Company
Mr. V. Chandrasekaran	Nil	NIL	NIL
Mr.R.Kalyanaraman	51,000	NIL	NIL
Mrs. Sumathi Sridharan	29,500	NIL	NIL
Mr.V.Venkataramanan	Nil	NIL	NIL
Mr. R. Swaminathan	32000	NIL	NIL
Mrs.V.N.Parvathy	13,500	NIL	NIL
Mr.C.V.Ravi	19,000	NIL	NIL

The remuneration policy applicable to the members of the Board and Key Managerial personnel/ other employees is available in the Company's website.

### Meeting Of Independent Directors:

The Independent Directors of the Company had met during the year on 10th February, 2017 to review the performance of non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company and had assessed the quality, quantity and timeliness of low of information between the company management and the Board.

The Company had also during the year, conducted familiarization programme for Independent Directors of the Company. This was done through regular presentation to the Directors and also discussions with management team. Any fresh induction into the Board of Directors is followed up with detailed briefing on the background of the Company, where the Company is present and other business details. The details of the Familiarization programme is disclosed in the following web link <http://www.pentamedia.in/investors>.

### Details Of Shareholding Of Directors As On 31st March 2018

As on 31st March 2018, the company had one executive Director, one non –executive director and two non-executive Independent directors. Among the directors, Mrs.V.N.Parvathy (DIN: 07134870) Non-executive director holds NIL equity shares in the company. The company has not issued any convertible instruments. Other directors do not hold any share in the Company.

## IV. GENERAL BODY MEETINGS

The location, date and time of General Meetings held during the last 3 years and details of special resolutions passed are given below:

Year	Date	Time	Location	Special resolution passed
2016-17	23.08.2017	10.00 A.M	Rani Seethai Hall, No.603, Anna Salai, Chennai- 600 006	Nil
2015-16	14.09.2016	10.00 A.M	Rani Seethai Hall, No.603, Anna Salai, Chennai- 600 006	Nil
2014-15	03.09.2015	10.00 A.M	Rani Seethai Hall, No.603, Anna Salai, Chennai- 600 006	Nil

## **Passing of resolutions by postal ballot:**

No resolution requiring a Postal Ballot under Section 110 of the Companies Act, 2013 was placed before the last Annual General meeting.

Similarly, no resolution requiring Postal Ballot is being proposed at the ensuing annual General Meeting.

## **V. CODE OF CONDUCT**

The Company has formulated a Code of Conduct ("The Code") for Members of the Board and Senior Management of the Company and the compliance of the same is affirmed by the Board and Senior Management personnel annually. The Code has also been posted on Company's corporate website [www.pentamedia.in](http://www.pentamedia.in)

A declaration to this effect is signed by Mr. V. Venkataramanan, Whole-Time Director and the same forms a part of this report.

## **VI. CEO AND CFO CERTIFICATION**

In terms of Regulation 17(8) of the Listing Regulations, the Whole-Time Director and Chief Financial Officer have given the annual certification on financial reporting and internal controls to the Board.

The Chief Financial Officer have also given quarterly certification on financial results, while placing the financial results before the Board, in terms of Listing Regulations. Accordingly, the Chief Financial Officer have certified to the Board, inter alia, the accuracy of financial statements and adequacy of internal controls for the financial reporting purpose, for the year ended March 31, 2018.

## **VII. PREVENTION OF INSIDER TRADING**

The Company has framed a code of conduct for prevention of insider trading based on SEBI (Insider Trading) Regulations, 2015. This code is applicable to all Directors / officers / designated employees. The code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the trading window is closed. All the Directors and Senior Management Personnel have confirmed compliance with the code.

## **VIII. VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has adopted the whistle blower mechanism, a mandatory requirement of the Listing Regulations and the Companies Act, 2013 with the objective to provide employees, customers and vendors, an avenue to raise concerns, in line with the Company's commitment to the highest possible standards of ethical, moral and legal conduct of business, its commitment to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization of whistle blowing in good faith. The Audit Committee reviews periodically the functioning of whistle blower mechanism. The policy also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee. The detail of establishment of such mechanism is disclosed by the Company on its website and in the Board's Report.

It is hereby affirmed that no person has been denied access to the Audit Committee.

Mr. R. Kalyanaraman, has been appointed as the Ombudsperson, who will deal with the complaints received.

## **IX. DISCLOSURES**

### **1. Related Party Transactions**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis. There were no materially significant related party transactions with Directors/ promoters/ management, which had potential conflict with the interests of the Company at large.

Periodical disclosures from Senior Management relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interests, that might have a potential conflict with the interest of the Company at large, are placed before the Board. The Company has also evolved a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken, wherever required in accordance with the Policy. The details of such policies for dealing with Related Parties and the Related Party Transactions are disseminated in the website of the Company.

### **2. Statutory Compliances And Strictures**

The Company has complied with the requirements of the Stock Exchanges / SEBI and statutory authorities on all matters related to capital markets during the last three years. No strictures or penalties have been imposed on the Company either by Stock Exchanges or by SEBI or any statutory authority.

## X. COMPLIANCE WITH CORPORATE GOVERNANCE NORMS

The Company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated in the Listing Regulations. The Company has submitted the compliance reports in the prescribed format to the stock exchange for every quarter during the year ended 31st March, 2018. The certificate of compliance with the conditions of corporate governance as stipulated in Regulation 34(3) of the Listing Regulations forms part of the Annual Report.

The other non-mandatory requirements of Listing Regulations to certain extent have been adopted by the Company.

## XI. MEANS OF COMMUNICATION

The quarterly unaudited financial results and major announcements like notice of Board Meetings, Book Closure etc. are normally published in daily newspapers viz., Business Standard (English) and Maalaisudar (Tamil). The annual audited financial results are published in Business Standard (English) and Maalaisudar (Tamil). Further, the Code of Conduct of the Company applicable to the Board and senior management is also posted on the website of the Company

The company's website address is: www.pentamedia.in. The website contains basic information about the company and such other details as required under the listing Regulations. The company ensures periodical updation of its website. The company has designated the email-id investor@pentamedia.in to enable the shareholders to register their grievances.

The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status (Yes/No/NA)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiaries of listed entity	NA
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
47(2)(b) to (i)	Disclosures on website	Yes

## XII. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of the Annual Report.

## XIII. General Shareholder Information

A separate section has been annexed to the Annual Report, furnishing various details viz., AGM venue, distribution of shareholding pattern, means of communication etc., for the general information of the shareholders.

**On behalf of the Board of Directors**

Place : Chennai  
Date : 10/08/2018

Director  
V Venkataramanan

Director  
R Kalyanaraman

## SHAREHOLDER'S INFORMATION

<b>Registered Office</b>	: No.34-A, Akbarabad 1 <sup>st</sup> Street Kodambakkam, Chennai - 600 024
<b>Corporate Identification Number (CIN)</b>	: L74210TN1976PLC007142
<b>Annual General Meeting</b>	
<b>Day &amp; Time</b>	: Thursday , 3.00 P.M
<b>Date</b>	: 27 <sup>th</sup> September 2018
<b>Venue</b>	: Liberty Park Hotel, 1 <sup>st</sup> Main Road, United India Colony, Kodambakkam, Chennai – 600024
<b>Financial Year</b>	: 1st April 2017 to 31st March 2018
<b>Book Closure Period</b>	: 21 <sup>st</sup> September 2018 to 27 <sup>th</sup> September 2018 (both days inclusive).
<b>Listing on stock exchanges and stock code</b>	: BSE Limited Phiroz Jheejhee Bhai Towers, Dalal Street, Fort, Mumbai – 400 001.
<b>Luxembourg Stock Exchange</b>	: Societe te Bourse De Luxembourg Societe p Binyrene/Rc B8222 8P 165 1- 2011, Luxembourg.
<b>Stock Code</b>	: 500329 (BSE)
<b>ISIN No.</b>	: INE202A01022

### Stock Market Data

The monthly high and low quotations and volume of shares traded on BSE for the period from April'2017 to March'2018 were as follows:

Month	High (Rs.)	Low (Rs.)	Volume of share trade (Rs. In Lacs)
APRIL'17	0.69	0.58	25.00
MAY'17	0.68	0.55	31.30
JUNE'17	0.69	0.53	18.63
JULY'17	0.90	0.56	45.57
AUGUST'17	0.75	0.70	6.59
SEPTEMBER'17*	--	--	--
OCTOBER'17*	--	--	--
NOVEMBER'17	0.69	0.69	0.10
DECEMBER'17	0.66	0.66	0.05
JANUARY'18	0.63	0.63	1.90
FEBRUARY'18	0.60	0.60	0.19
MARCH'18	0.72	0.48	17.24

*\*During the period the Company's equity shares listing was under Stage VI of Grade Surveillance Method imposed by BSE*

### Registrar and Share Transfer Agents:

In due compliance with SEBI norms, the Company has entrusted the share transfer work both physical as well as electronic transfers to the transfer agents mentioned below:

#### M/s Cameo Corporate Services Ltd

5th Floor, Subramanian Building, No.1, Club House Road, Chennai - 600 002

## Share Transfer and Investors Service System

A committee constituted for this purpose approves transfers in the physical form on fortnightly basis. The Board has also authorized its directors and executives to approve the transfer/transmission. As per the directions of SEBI, the company immediately on transfer of shares sends letters to the investors, in the prescribed format, informing them about the simultaneous transfer and dematerialization option available for the shares transferred in their names. The committee also looks into all the communications received from the shareholders and complaints received from the stock exchanges. There are no Pending Complaints as on 31.03.2018.

## Share holding pattern /Distribution of shareholding

### Shareholding pattern as on 31.03.2018

Category	No of shares	% of shareholding
Promoters	80239891	19.33
<b>Indian Public</b>	261856989	63.09
<b>Financial Institutions &amp; Banks</b>	41055316	9.89
<b>Foreign Financial Institutions</b>	21093	0.00
NRIs	6840413	1.65
<b>Corporate Bodies</b>	24810890	5.98
<b>Clearing Member</b>	160909	0.04
<b>Foreign Nationals</b>	4	0.00
<b>Mutual Funds &amp; Trust</b>	40663	0.00
<b>Total</b>	<b>415026168</b>	<b>100.00</b>

### Distribution of shareholding as on 31.03.2017

Category	Number of holders	% on total	No of shares	% on total
1      100	60236	34.78	2386127	0.57
101    500	59039	34.09	16017262	3.86
501    1000	22069	12.74	18118938	4.39
1001   2000	14157	8.17	21691049	5.22
2001   3000	5438	3.14	13793028	3.32
3001   4000	2596	1.50	9281001	2.24
4001   5000	2436	1.41	11582653	2.80
5001   10000	3767	2.17	27917677	6.73
10001 and above	3455	2.00	294238433	70.90
<b>Total</b>	<b>173193</b>	<b>100.00</b>	<b>415026168</b>	<b>100.00</b>



## Unclaimed Shares

Particulars	No. of Holders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account as at April 1, 2017	426	84036
Fresh undelivered cases during the Financial year 2017-18	Nil	Nil
Number of shareholders who approached the Company for transfer of shares from suspense account till March 31, 2018	Nil	Nil
Number of shareholders to whom shares were transferred from the Suspense account till March 31, 2018	Nil	Nil
Aggregate number of shareholders and the outstanding shares in	426	84036

The voting rights on the shares outstanding in the suspense account as on March 31, 2018 shall remain frozen till the rightful owner of such shares claims the shares. In compliance with the said requirements, these shares will be transferred into one folio in the name of 'Unclaimed Suspense Account' in due course.

## DEMATERIALIZATION

The Shares of the company are compulsorily traded in dematerialization form. The code number allotted by the National Securities Depository Limited (NSDL) and Central Depository Services limited (CDSL) to Pentamedia Graphics Limited is - INE202A01022.

**Number of shares held in Dematerialised and physical mode as on 31st March, 2018 are noted below:**

Category	No of shares	% of total capital issued
Shares held in Dematerialised form with NSDL	326780567	78.74
Shares held in Dematerialised form with CDSL	87466896	21.08
Shares held in Physical form	778705	0.19
<b>Total</b>	<b>41,50,26,168</b>	<b>100.00</b>

## Outstanding GDRs/Warrants or any convertible warrants

**There are no outstanding convertible GDRs/Convertible warrants**

## Reconciliation of share capital Audit

A qualified Practising Company Secretary, Ms. J.Anusuya, Practising Company Secretary, Chennai, carried out reconciliation of share capital audit every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued capital. The audit confirms that the total issued / paid-up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## Details of shares held by Non-Executive Directors as on 31.03.2018

Category	No. of shares	% of total capital issued
1	Mr.R.Kalyanaraman	NIL
2	Mrs.V.N.Parvathy	NIL
3	Mr.C.V.Ravi	NIL

## NOMINATION FACILITY

Section 72 of the Companies Act, 2013 provides the facility of nomination to shareholders. This facility is mainly useful for individuals holding shares in sole name. In the case of joint holding of shares by individuals, nomination will be effective only in the event of death of all joint holders.

Investors, especially those who are holding shares in single name, are advised to avail of the nomination facility by submitting the prescribed Form SH-13 for initial registration of nomination and Form SH-14 for cancellation and variation of nomination as per Companies Act, 2013 to the Company's R&TA.

## Address for Correspondence

**Registered Office:** No. 34-A, Akbarabad,  
1<sup>st</sup> Street, Kodambakkam, Chennai - 600 024.

**E-Mail:** investor@pentamedia.in, **Website :** www.pentamedia.in

## For all matters relating to Shares

M/s. Cameo Corporate Services Limited  
Fifth Floor, Subramaniam Building, No.1, Club House Road, Chennai - 600 002.  
Tel: (044) – 28460390 (5 lines), Fax: (044) - 28460129  
**Email:** investor@cameoindia.com, **Website :** www.cameoindia.com

**Date:** 10<sup>th</sup> August 2018

**Place:** Chennai

**V .Venkataraman**  
Whole-Time-Director

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**For the financial year ended March 31, 2018**

The Members

M/S. PENTAMEDIA GRAPHICS LIMITED

No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai – 600 024

We have conducted the Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/S. Pentamedia Graphics Limited (Corporate Identification Number: L74210TN1976PLC007142] hereinafter called the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/S Pentamedia Graphics Limited for the financial year ended on 31<sup>st</sup> March 2018, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - a. The Securities and Exchange Board Of India (Substantial Acquisition Of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi) Other laws applicable to the Company as per the representations made by the Management.
- vii) With respect to Fiscal laws, based on the information and explanation provided to us by the management and officers of the Company and periodical reports and Certificates placed before the Board of Directors, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:-

- i) Listing Agreements entered into by the Company with BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii) Secretarial Standards-I and Secretarial Standards-II issued by the Institute of Company Secretaries of India with respect to Meeting of Board of Directors and General Meetings.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on verification of the records and minutes, the decisions were taken at the Board Meetings with the consent of the Board of Directors/Members. Also, the members who voted against resolutions were duly recorded in the minutes of the Meetings.

We further report that as per the explanations given to us and the representations made by the Management and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, as explained and represented by the management, apart from forensic Audit as directed by SEBI with reference to list shell companies, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. having a major bearing on the Company's affairs.

**For J. Anusuya & Associates  
Company Secretaries**

Sd-

**CS. J. ANUSUYA**

Proprietrix

COP # 19510

M # A52923

Place : Chennai

Date : 07/08/2018

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**'Annexure A'**

TO

The Members

M/S. PENTAMEDIA GRAPHICS LIMITED

No.30-A, Akbarabad 1<sup>st</sup> Street,

Kodambakkam, Chennai—600024

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for Our Opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance Of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Chennai

Date : 07/08/2018

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**  
**UNDER REGULATION 27 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE**  
**REQUIREMENTS), REGULATIONS.2015**

**Corporate Identification No. : L74210TN1976PL001742**

**Nominal capital : Rs.4,50,00,00,000**

To  
The Members  
M/s PENTAMEDIA GRAPHICS LIMITED  
No. 30 AAKABARABAD FIRST STREET,  
KODAMBAKKAM  
CHENNAI – 600 024

We have examined all relevant records of M/s.Pentamedia Graphics Limited, having its Registered office at No.30 A Akabarabad First, Kodambakkam Chennai – 600024 for the certifying compliance of the conditions of Corporate Governance under Regulation 27(2) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation,2015 with BSE Limited for the financial year ended March 31,2017. We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. The Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with all the necessary conditions of Regulation 27 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015

For J. Anusuya & Associates  
Company Secretaries

CS. J.ANUSUYA  
Proprietrix  
COP # 19510  
M# A52923

Place : Chennai  
Date : 07/08/2018

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**DECLARATION OF CODE OF CONDUCT**

**The Board of Directors,**  
Messrs Pentamedia Graphics Limited  
No 30 A Akbarabad First Street,  
Kodambakkam  
Chennai – 600024

Sirs,

This is to confirm that the board has laid down a code of conduct for all Board Members and senior management of the Company. The code of conduct has also been posted on the website of the company.

It is further confirmed that all the Directors and senior management personnel of the company have affirmed compliance with the code of conduct of the Company for the year ended 31<sup>st</sup> March 2017, as envisaged to the Listing Regulations.

**V.Venkataraman**  
Whole Time Director

Place: Chennai  
Date: 7.08.2018

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF PENTAMEDIA GRAPHICS LIMITED

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Pentamedia Graphics Limited (the Company), which comprise the Balance Sheet as at March 31, 2018, the statement of Profit and Loss the Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under Section 133 of Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and in accordance with the accounting principles generally accepted in India.

This responsibility includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and the matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Basis for Qualified Opinion

#### Attention is invited to:

1. Depreciation is charged on Digital Content for Rs.181.31 Lacs by increasing the life of asset from 3 years to 6 years otherwise the depreciation would have been Rs.366.73 Lacs. The difference of the same results in profit. The impact of the same on the Profit /Loss Statement and Balance Sheet is ascertainable and hence quantified.
2. Deferred Tax Asset of Rs. 16.82 Lacs arises due to change in the rate of depreciation as per Income Tax act resulting profit. The impact of the same is ascertained and quantified in the Profit/Loss Statement and Balance Sheet

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion para**, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016
- (b) In the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by Section 143(3) of the Act, we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards prescribed under section 133 of the Act, as applicable.
  - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “annexure A”. Our respect expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanation given to us:
    - a) The Company has disclosed the impact of profit in Profit and Loss Account as referred to Note to the financial statements.
2. As required by the Companies (Auditor’s Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

**For Babu Peram and Associates. Chartered Accountants**

**CA. Babu Peram  
Proprietor**

(Firm Registration No. 012721S)

Membership No. 200803

Chennai

Date: 30/05/2018

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## **ANNEXURE “A”**

### **TO THE INDEPENDENT AUDITORS’ REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Pentamedia Graphics Limited (“the Company”) as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly

and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under

Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING** Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **OPINION**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Babu Peram and Associates  
Chartered Accountants**

**CA. Babu Peram  
Proprietor**

(Firm Registration No. 012721S)  
Membership No. 200803  
Place: Chennai  
Date: 30/05/2018

## ANNEXURE “B”

### TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulator) Requirements' of our report of even date)

1. Fixed Assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The fixed assets are physically verified during the year by the management at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. As per our verification we opine that, there are no immovable properties held in the name of the company. The company sold the land and building during the year.

The inventories were physically verified during the year by the management at reasonable intervals and according to the information and explanation given by the management, no material discrepancies were noticed on physical verification.

3. The company has not granted or taken any loans, secured or unsecured to or from companies, firms, Limited Liability Partnerships and other parties except from Mayajaal Entertainment Ltd covered in the register maintained under Sec 189 of Companies Act 2013.
4. The company has not provided any loans, investments, guarantees or securities which fall under the purview of Section 185 and Section 186 of the Companies Act, 2013.
5. In our opinion and according to the information given to us, the company has not accepted any deposits from the public during the year. Therefore, Clause 5 of this order is not applicable.
6. As per the information and explanations given to us, maintenance of cost records has not been prescribed by the Central Government under Sub-section (1) of Section 148 of the companies Act 2013.
7. According to the information and explanations given to us there are no dues of Income Tax, Sales Tax, Customs duty, Excise Duty, Service Tax, Provident Fund and Cess which have not been deposited on account of any dispute except the following cases:

### INCOME IX

Claims against the company which has not been acknowledged as debt for the year ended 31<sup>st</sup> March 2016 includes demands from the Income Tax Authorities for payment of Tax including interest for the issues mentioned hereinafter. Rs. 8.89 crores pertaining to the assessment years 1996-97, 1997-98 and 1998-99. The demands for these years are due to disallowance of Training Income in STP/EHTP. The matters are pending to these years in the Supreme Court of India. So also demand and interest of Rs. 21.53 pertaining to the assessment year 2000-01 is due to the treatment of Goodwill which is now pending in the High Court of Madras. For the assessment year 2001-02, 2002-03 and 2003-04 the demand and including interest is Rs. 109.09 crores due to the treatment of unrealized sales and opening of fresh cases u/s 263. These matters are pending in the Supreme Court of India. For the assessment years 2004-05, 2005-06 and 2006-07 the demands inclusive interest are Rs. 48.03 crores which arose due to opening of the files afresh u/s 147 due to non deduction of TDS for some matters, rate of depreciation etc. The company has appealed against the same in the High Court of Madras and has obtained a stay order. For the assessment years 2008-09, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15 there is a total demand of Rs. 10.15 crores including interest because of the dispute in the rate depreciation, deduction of TDS in some matters and these matters are now with the Commissioner of Income Tax (Appeals) There is also matter pending for Pentasoft Technologies (now merged with Pentamedia Graphics) where demand inclusive interest is Rs. 6.30 crores for issues pertaining to unrealized sales.

### CASES FILED BY THE COMPANY AGAINST INCOME TAX THE DEPARTMENT

1. The Company has filed a WP 2357/2010 and got a stay order dated 15.07.2010 and to dispose of all the issues /appeals from 1996 to 2000 -07 within 8 weeks from the date of the order.
2. Revised returns has been filed by the company for the AYs 2001-02 to 2004-05 on 31.03.2008 writing off Rs. 690 Crores of impaired assets is still pending with the department . The Madras High Court vide order/ direction dated 11.01.2010 has asked the departments to consider the revised returns.
3. The company has filed a WP 25120/2010 for Pentasoft Technologies and got a stay order dated 18.12.2009 till such time all the issues /appeals from 1996 to 2000 -07 are disposed off.



## **CASES FILED BY THE INCOME TAX THE DEPARTMENT AGAINST THE COMPANY**

1. Department has filed in the Supreme Court of India against Pentasoft Technologies (now merged with Pentamedia Graphics) for Assessment Years 2001-02 and 2002-03 challenging the Depreciation on Non Compete Fees upheld by the Madras High Court.
8. The company has not obtained any loans or borrowings from financial institutions, banks, Government and debenture holders, hence this Clause is not applicable.
9. In our opinion and according to the information given to us, the company has not raised any money by way of initial public offer or further public offer and hence this clause is not applicable.
10. As per our verification and explanation given to us, by the company, no fraud on or by the company has been noticed or reported during the year.
11. The managerial remuneration paid by the company is as per Section 197 read with schedule V to the Companies Act, 2013.
12. The company is not a Nidhi company and hence this clause is not applicable.
13. As per our verification, it is opined that all the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, hence this clause is not applicable.
15. According to the information and explanations given to us, the company has not entered into any non - cash transactions with the directors or persons connected with them. Hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the company.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Babu Peram and Associates  
Chartered Accountants**

**CA. Babu Peram  
Proprietor**

(Firm Registration No. 012721S)  
Membership No.200803  
Place: Chennai  
Date: 30/05/2018

# BALANCE SHEET AS AT 31ST MARCH 2018

Rs In '000

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	1	60,794	79,125	94,814
(b) Capital work-in-progress	1	-	-	78,700
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Product Rights	1	3,91,023	3,91,023	3,91,023
(f) Intangible assets under development	1	50,558	50,558	87,551
(g) Biological Assets other than bearer plants		-	-	-
(h) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	2	-	967	967
(iii) Loans	3	4,82,503	4,81,108	4,85,298
(iv) Others		-	-	-
(i) Deferred tax assets (net)				
(j) Other non-current assets				
<b>Current assets</b>				
(a) Inventories	4	1,04,435	1,08,585	1,48,139
(b) Financial Assets				
(i) Investments	5	-	-	-
(ii) Trade receivables	6	6,714	2,186	13,046
(iii) Cash and cash equivalents	7	91	352	277
(iv) Bank balances (Other than iii above)		-	-	-
(v) Loans	8	34,446	35,188	90,573
(vi) Others		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	9	8,049	8,206	6,418
<b>Total Assets</b>		<b>11,38,612</b>	<b>11,57,297</b>	<b>13,96,806</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	10	4,15,026	4,15,026	4,15,026
(b) Other Equity	11	7,12,166	7,11,084	7,02,545
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	12	210	210	1,800
(ii) Trade payables	13	441	441	441
(iii) Other financial liabilities	13	-	43	43
(b) Provisions	14	2,343	2,307	2,273
(c) Deferred tax liabilities (Net)	15	1,966	3,648	8,611
(d) Other non-current liabilities		-	-	-
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	-	17,831	-
(ii) Trade payables	17	4,754	4,467	5,066
(iii) Other financial liabilities	18	-	7	123
(b) Other current liabilities		-	-	-
(c) Provisions	19	1,706	2,233	2,60,878
(d) Current Tax Liabilities (Net)		-	-	-
<b>Total Equity and Liabilities</b>		<b>11,38,612</b>	<b>11,57,297</b>	<b>13,96,806</b>

Accounting policies and Notes forming part of the financial statements.

**For and on behalf of the Board**

As per our separate report of even date

**V VENKATARAMANAN**

**R KALAYANARAMAN**

**For Babu Peram & Associates**

Whole Time Director

Director

Chartered Accountants

(DIN: 00162091)

(DIN: 00041770)

**CA.BABU PERAM**

Place: Chennai

Membership No. 200803

Date:30/05/2018

Firm Registration No.012721S

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2018**

Rs In '000

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I Revenue From Operations	20	32,405	42,427
II Other Income	21	9	57,407
<b>III Total Income (I+II)</b>		<b>32,414</b>	<b>99,834</b>
<b>IV EXPENSES</b>			
Training and Development expenses	22	277	1,451
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	4,150	39,554
Employee benefits expense	23	4,108	7,060
Finance costs	24	4	4
Depreciation and amortization expense	25	18,331	37,402
Other expenses	26	6,144	9,945
<b>Total expenses (IV)</b>		<b>33,014</b>	<b>95,416</b>
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>(600)</b>	<b>4,418</b>
VI Exceptional Items	27	-	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>(600)</b>	<b>4,418</b>
<b>VIII Tax expense:</b>			
(1) Current tax		-	842
(2) Deferred tax		1,682	4,963
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,082</b>	<b>8,539</b>
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>1,082</b>	<b>8,539</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV Total Comprehensive Income for the period (XIII+XIV)</b>		<b>1,082</b>	<b>8,539</b>
<b>XVI Earnings per equity share (for continuing operation):</b>			
(1) Basic		0.00	0.02
(2) Diluted		0.00	0.02
<b>XVII Earnings per equity share (for discontinued operation):</b>			
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>			
(1) Basic		-	-
(2) Diluted		-	-

Accounting policies and Notes forming part of the financial statements.

**For and on behalf of the Board**

As per our separate report of even date

**V VENKATARAMANAN**

Whole Time Director  
(DIN: 00162091)

**R KALAYANARAMAN**

Director  
(DIN: 00041770)

**For Babu Peram & Associates**

Chartered Accountants

**CA.BABU PERAM**

Membership No. 200803

Firm Registration No.012721S

Place: Chennai  
Date:30/05/2018

# CASHFLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

Rs In '000

PARTICULARS	2017-2018		2016-2017	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit Before Tax		(600)		4,418
ADD:				
Depreciation	18,331		37,402	
Loss on Sale of Building	-		7,022	
Interest	4	18,335	4	44,428
		17,735		48,846
Less:				
Rental Advance	-		-	
Rental Income	-		1,460	
Interest Income	-		-	
Gain on Sale of Land	-		62,969	
		-		64,429
		17,735		(15,583)
Add:				
Decrease in Current Assets & Non-Current Assets(Net)	94		1,08,201	
Increase in Current Liabilities & Non-Current Liabilities	(18,084)	(17,990)	(2,43,926)	(1,35,725)
Net Cash Flow Operating Activities "A"		(255)		(1,51,308)
<b>B. Cash Flow From Investing Activities</b>				
Rental Advance	(2)		(3)	
Rental Income	-		1,460	
Sale of Fixed Assets	-		1,50,000	
Interest Income	-	(2)	-	1,51,457
Less:Purchase of FA	-	-	-	70
Net Cash Flow Operating Activities "B"		(2)		1,51,387
<b>C. Cash Flow From Financing Activities</b>				
Interest Paid	(4)	(4)	(4)	(4)
Net Cash Flow From Financing Activities "C"		(4)		(4)
<b>Net Increase/Decrease in cash and cash equivalents (A+B+C)</b>		<b>(261)</b>		<b>75</b>
<b>Reconciliation</b>				
E. Cash & Cash Equivalents at the beginning of the year		352		277
F. Cash & Cash Equivalents at the end of the year		91		352
		<b>261</b>		<b>(75)</b>

Accounting policies and Notes forming part of the financial statements.

**For and on behalf of the Board**

**V VENKATARAMANAN**  
Whole Time Director  
(DIN: 00162091)

**R KALAYANARAMAN**  
Director  
(DIN: 00041770)

Place: Chennai  
Date:30/05/2018

As per our separate report of even date

**For Babu Peram & Associates**  
Chartered Accountants

**C.A. BABU PERAM**  
Membership No. 200803  
Firm Registration No.012721S

## AUDITOR'S CERTIFICATE

The above cash flow statement has been compiled from and is based on the audited accounts of M/s. Pentamedia Graphics Limited for the year ended 31st March 2018 reported upon by us on 30.05.2018. According to the information and explanations given together with noted thereon, the aforesaid cash flow statement has been prepared pursuant to clause 32 of the Listing agreement with Stock Exchange and the reallocations required for the purpose are as made by the company.

As per our separate report of even date  
for **Babu Peram & Associates**, Chartered Accountants,

Place : Chennai  
Date : 30th May, 2018

**C.A. BABU PERAM**  
Membership No. 200803  
Firm Registration No. 012721S

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR 2017-2018

## A. CORPORATE INFORMATION

Pentamedia Graphics Limited (PMGL) is a Public Limited Company incorporated in the state of Tamilnadu and listed on the BSE Limited (BSE). The company has been mainly in the following business during the year:

- a. Pre & Post production of digital contents for animation & Visual effects for Film, TV & Internet.
- b. Consultancy on multimedia & Software
- c. Training and maintenance of media & Software products.

### SIGNIFICANT ACCOUNTING POLICIES:

## B. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

### A. REVENUE RECOGNITION

Revenue/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred.

- (i) Revenue from Multimedia business (for sale of digital content on fixed price basis) is recognized based on milestones reached.
- (ii) Revenue in respect of Training and Education services is recognized on rendering of services, only when it is the period of contracts. For services rendered through franchisees only the company's share of revenue is recognized.
- (iii) Revenue for services charges is recognized after completion of each stage of service.
- (v) Revenue from Software development (on time and material basis) is recognized based on software developed and billed to the clients.

### B. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual and estimates are recognized in the period in which the results are known/materialized.

### C. PROPERTY, PLANT AND EQUIPMENT:

- (I) Fixed assets are stated at cost including taxes, duties, freight etc related to purchase and installation less accumulated depreciation.
- (II) Intangible assets, that are not yet ready for their intended use, are carried at costs, comprising direct cost, other incidental/attributable expenses and reflected under capital work in progress/ Intangible assets under development respectively
- (III) Capital work in progress represents capital advances and expenditure incurred during the earlier years pertaining to software development pending capitalization.
- (IV) Gains or losses arising from de recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets derecognized.

### D. INTANGIBLE ASSETS

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The intangible assets are recorded at cost and are carried at cost.

### E) DEPRECIATION

Depreciation on fixed assets is provided on the straight-line method in accordance with the rates specified under Schedule ii to the companies Act 2013. Depreciation is charged on Digital Content for Rs.183.31 lacs by increasing the life of assets from 3 years to 6 years. Otherwise the depreciation would have been 366.73 lacs. The difference of the same results in profit. The impact Of the same on the Profit/Loss Statement and Balance Sheet is ascertainable and hence quantified

### F) INVENTORIES

Inventories consist of Digital Content and Software development which are valued at cost.

### G) RETIREMENT BENEFITS TO EMPLOYEES

The Liability for future payment of gratuity has been provided in the accounts. The liability is not funded separately.

**H) TAXES ON INCOME****Deferred Tax**

Deferred tax resulting from timing differences between book and tax profits is accounted for under the liability method, at the current rate of tax, to the extent that the timing differences are expected to crystallize at Rs. 1966000.

**I) CASH AND CASH EQUIVALENTS**

The company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

**J) IMPAIRMENT OF ASSETS**

The carrying value of assets at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount exceeds the recoverable amount.

**K) PRELIMINARY EXPENSES**

Preliminary expenses are amortized over a period of five years commencing from the year at commercial operations and closed during the reporting period.

**L) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognized only when the company has present or legal or constructive obligations as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of the obligation. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**A. Equity Share Capital**

Balance at 1st April 2017	Changes in equity share capital during the year	Balance as at 31st March 2018
415026	-	415026

**B. Other Equity**

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Other Comprehensive Income	Money received against share warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves	Retained Earnings								
Balance at 1st April 2017			369593	3534377	61579	-3263044								702505
Changes in accounting policy or prior period errors														-
Restated balance at 1st April 2017			369593	3534377	61579	-3263044								702505
Total Comprehensive Income for the year	Nil	Nil	-	-	-	-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
Dividends			-	-	-	-								-
Transfer to retained earnings						-1082								-1082
Any other change			-	-	-	-								-
Balance as at 31st March 2018			369593	3534377	61579	-3264126								701423

**Note No. 1- Property Plant & Equipment**

Rs in '000

Particulars	GROSS BLOCK - AT COST				DEPRECIATION			NET BLOCK	
	As at 01/04/2016	Additions	Deductions	As at 31/03/2017	As at 01/04/2016	For the Year	As at 31/03/2017	As at 31/03/2017	As at 31/03/2016
Land	26025	-	26,025	-	NIL	NIL	NIL	NIL	26025
Building	131867	-	61,005	70,862	63696	144	63840	-	68,171
Plant and Machinery	13577	-	-	13,577	12993	584	13577	0	584
Furniture and Fittings	117101	-	-	1,17,101	117176	-	117176	-	-
Digital Content	35	1,15,763	-	115798	-	36673	-	79125	35
	<b>288605</b>	<b>1,15,763</b>	<b>87,030</b>	<b>317338</b>	<b>193865</b>	<b>37402</b>	<b>194594</b>	<b>79124</b>	<b>94,815</b>
Intangible Assets									
Capital work in progress	166251		115693	50,558				50558	166251
Product Rights	391023			391023				391023	391023

Rs in '000

Tangible Assets	GROSS BLOCK - AT COST				DEPRECIATION			NET BLOCK	
	As at 01/04/2017	Additions	Deductions	As at 31/03/2018	As at 01/04/2017	For the Year	As at 31/03/2018	As at 31/03/2018	As at 31/03/2017
Plant and Machinery	13577	-	-	13,577	13577	-	13577	-	-
Furniture and Fittings	117101	-	-	1,17,101	117176	-	117176	-	-
Digital Content	115798	-	-	115798	36,673	18331	55,004	60,794	79,125
	<b>2,46,476</b>	<b>-</b>	<b>-</b>	<b>2,46,476</b>	<b>1,67,426</b>	<b>18,331</b>	<b>1,85,757</b>	<b>60,794</b>	<b>79,125</b>
<b>Intangible Assets</b>									
Capital work in progress	50,558			50,558				50,558	50,558
Product Rights	3,91,023			3,91,023				3,91,023	3,91,023

**Note No.2 - Trade Receivables**

₹ in '000

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
Secured, considered good	-	967	967
Less: Provision for doubtful debts			
Sub Total	-	967	967
<b>Total</b>	<b>-</b>	<b>967</b>	<b>967</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
<b>Note No 3 : Financial Assets -Loans</b>			
<b>a. Capital Advances</b>	-	-	-
<b>b. Security Deposits</b>			
<u>Secured, considered good</u>			
<u>Unsecured, considered good</u>			
Earnest Money Deposit			
Deposit - Electricity	-	-	3,689
Deposit - Telephone	792	792	1,473
Excise Duty PLA a/c	-	-	5
CST appeals	-	-	-1,205
Service Tax - Prepaid	-	-	140
	<b>792</b>	<b>792</b>	<b>4,102</b>
<b>c. Loans and advances</b>			
Mayajaal Entertainment Ltd	-	-	-
Rental Advance	300	300	
Pentafour Software Emp Welfare Foundation	-	-1,395	-1,415
	<b>300</b>	<b>(1,095)</b>	<b>(1,415)</b>
<b>d. Other loans and advances</b>			
Pentamedia	305121	3,05,121	3,06,321
Pentasoft	176290	1,76,290	1,76,290
	<b>4,81,411</b>	<b>4,81,411</b>	<b>4,82,611</b>
<b>Total</b>	<b>4,82,503</b>	<b>4,81,108</b>	<b>4,85,298</b>
<b>Note No 4 -Inventories</b>			
a. Raw Materials and components	-	-	-
b. Work-in-progress	22,950	23,555	63109
	<b>22,950</b>	<b>23,555</b>	<b>63,109</b>
c. Finished goods	-	-	-
d. Stock-in-trade	-	-	-
e. Stores and spares	-	-	-
f. Loose Tools	-	-	-
g. Others (Distribution rights)	81485	85030	85030
	<b>81,485</b>	<b>85,030</b>	<b>85,030</b>
<b>Total</b>	<b>1,04,435</b>	<b>1,08,585</b>	<b>1,48,139</b>
<b>Note No 5 - Current Investments</b>			
(a) Investment in Equity instruments	-	-	-
(b) Investments in preference shares	-	-	-
(c) Investments in Government or Trust securities	-	-	-
(d) Investments in Debentures or Bonds	-	-	-
(e) Investments in Mutual Funds	-	-	-
(f) Investments in partnership firms*	-	-	-
(g) Other non-current investments (specify nature)	-	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Less : Provision for dimunition in the value of Investments			
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>



₹ in '000

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
<b>Note No.6 - Trade Receivables</b>			
Secured, considered good	6,714	2,186	13,046
Less: Provision for doubtful debts			
Sub Total	6,714	2,186	13,046
<b>Total</b>	<b>6,714</b>	<b>2,186</b>	<b>13,046</b>
<b>Note No.7 - Cash and Cash Equivalents</b>			
a. Balances with banks*	-	-	-
b. Cheques, drafts on hand	-	-	-
c. Cash on hand*	1	7	10
d. Others (balance in current accounts)	90	345	267
	<b>91</b>	<b>352</b>	<b>277</b>
<b>Note No.8 - Loans</b>			
<b>Others (specify nature)</b>			
Secured, considered good			
<b>FRANCHISEE</b>	34,446	35,188	90,573
<b>Total</b>	<b>34,446</b>	<b>35,188</b>	<b>90,573</b>
<b>Note No.9 - Other Current Assets</b>			
1 Miscellaneous Expenses (non written off)	-	-	-
2 Prepaid Insurance		-	19
3 Tax Deducted Source	8049	7871	6161
4 VAT - CENVAT	-	164	105
5 Service Tax - CENVAT	-	171	133
<b>Total</b>	<b>8,049</b>	<b>8,206</b>	<b>6418</b>

**Note No.10 - Equity Share Capital**

₹ in '000

Share Capital	As at 31 March 2018		As at 31 March 2017		As at 1st April 2016	
	Number of shares	₹ in 000	Number of shares	₹ in 000	Number of shares	₹ in 000
<b>Authorised</b>						
Preference shares of Rs.10 each	50,00,000	50,000	50,00,000	50,000	50,00,000	50,000
Equity Shares of Re. 1 each	4,45,00,00,000	44,50,000	4,45,00,00,000	44,50,000	4,45,00,00,000	44,50,000
<b>Issued</b>						
Preference shares of Rs.10 each						
Equity Shares of Re. 1 each	41,50,26,163	4,15,026	41,50,26,168	4,15,026	41,50,26,168	4,15,026
<b>Subscribed &amp; Paid up</b>						
Preference shares of Rs.10 each						
Equity Shares of Re. 1 each	41,50,26,163	4,15,026	41,50,26,168	4,15,026	41,50,26,168	4,15,026
<b>Total</b>	<b>41,50,26,163</b>	<b>4,15,026</b>	<b>41,50,26,168</b>	<b>4,15,026</b>	<b>41,50,26,168</b>	<b>4,15,026</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
<b>Note No.11 Other Equity</b>			
<b>a. Capital Reserves</b>			
Opening Balance	3,69,593	3,69,593	3,69,593
(+) Current Year Transfer			
(-) Written Back in Current Year			
Closing Balance	3,69,593	3,69,593	3,69,593
<b>b. Securities Premium Account</b>			
Opening Balance	35,34,377	35,34,377	35,34,377
Add : Securities premium credited on Share issue	-	-	-
Less : Premium Utilised for various reasons	-	-	-
Premium on Redemption of Debentures			
For Issuing Bonus Shares			
Closing Balance	35,34,377	35,34,377	35,34,377
<b>c. Other Reserves (Specify the nature and purpose of each reserve)</b>			
Opening Balance	61,579	61,579	61,579
(+) Current Year Transfer			
(-) Written Back in Current Year			
Closing Balance	<b>61,579</b>	<b>61,579</b>	<b>61,579</b>
<b>d. Surplus</b>			
Opening balance	-32,54,465	-32,63,004	(27,56,861)
(+) Net Profit/(Net Loss) For the current year	1,082	8,539	(5,06,143)
Closing Balance	<b>(32,53,383)</b>	<b>(32,54,465)</b>	<b>(32,63,004)</b>
<b>Total</b>	<b>7,12,166</b>	<b>7,11,084</b>	<b>7,02,545</b>
<b>Note No. 12 - Borrowings</b>			
<b>(a) Deposits</b>	-	-	-
Franchisee	210	210	210
<b>(b) Other loans and advances (Rental Advance)</b>	-	-	1,590
<b>Total</b>	<b>210</b>	<b>210</b>	<b>1,800</b>
<b>Note No.13 - Trade Payables &amp; Other Financial Liabilities</b>			
(a) Trade Payables	441	441	441
(b) Others		43	43
<b>Total</b>	<b>441</b>	<b>484</b>	<b>484</b>
<b>Note No.14 - Provisions</b>			
<b>(a) Provision for employee benefits</b>			
Gratuity (unfunded)	2,343	2,307	2,273
<b>Total</b>	<b>2,343</b>	<b>2,307</b>	<b>2,273</b>

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1st April 2016
<b>NOTE No.15 - DEFERRED TAX LIABILITIES (Net)</b>			
Depreciation as per Companies Act	18,331	37,402	13,571
Depreciation as per Income Tax Act	12,888	21,342	7,481
Difference	5,443	16,060	6,090
Deferred Tax Asset @ 30.90%	1,682	4,963	1,882
Amount taken into P & L account for the year ended	1,682	4,963	1,882
Net Deferred Tax Liability shown in the Balance Sheet for the last year	3,648	8,611	10,493
Less: Deferred Tax Asset for the current year to be accounted - P & L	1,682	4,963	1,882
Net Deferred Tax Liability to be shown in the Balance Sheet	1,966	3,648	8,611
<b>Note No.16 - Borrowings</b>			
<b>Secured</b>			
<b>(a) Other loans and advances (specify nature)</b>	-	<b>17831</b>	-
Deposits from Franchisees & rental advance	-	-	-
<b>Total</b>	-	<b>17831</b>	-
<b>Note No.17 - Trade payables</b>			
Trade Payables	4754	<b>4467</b>	<b>5066</b>
<b>Total</b>	<b>4754</b>	<b>4467</b>	<b>5066</b>
<b>Note No.18 - Other Financial Liabilities</b>			
(i) Service Tax payable (output)	-	7	123
(ii) Other payables (Income Tax)	-	-	-
<b>Total</b>	-	<b>7</b>	<b>123</b>
<b>Note No.19 - Provisions</b>			
<b>(a) Provision for employee benefits</b>			
Salary & Reimbursements	71	909	541
Contribution to PF			
Directors Remuneration	74	299	139
<b>(b) Others (Specify nature)</b>			
MAT Provision	842	842	-
EB charges	-	57	59
TDS & other statutory dues	719	126	139
Dallah Alabaraka payment	-	-	2,60,000
<b>Total</b>	<b>1,706</b>	<b>2,233</b>	<b>2,60,878</b>

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Note No.20 - Revenue from operations</b>		
Sale of services - Media Training	108	42427
Sale of services - Software Intergration	32,297	-
Other operating revenues - Media	-	-
<b>Total</b>	<b>32,405</b>	<b>42,427</b>
<b>Note No.21 - Other Income</b>		
Interest Income (in case of a company other than a finance company)		
Rental Income	-	1,460
Miscellaneous Income	9	-
Dividend income	-	-
Net gain/loss on sale of investments		55,947
<b>Total</b>	<b>9</b>	<b>57,407</b>
<b>NOTE No. 22 COST OF MATERIALS CONSUMED</b>		
Multimedia development and educational training expense	277	1451
<b>Total</b>	<b>277</b>	<b>1451</b>
Opening stock	108585	148139
Add: Purchases	-	-
	108585	148139
Less: Obsolete stock written off		
Less: Closing stock	104435	108585
Total - Cost of material consumed	4,150	39,554
<b>TOTAL</b>	<b>4,427</b>	<b>41,005</b>
<b>NOTE No. 23 - EMPLOYEES' BENEFIT EXPENSES</b>		
Salaries and wages	4000	6820
Staff welfare expenses	72	206
Gratuity	36	34
<b>TOTAL</b>	<b>4108</b>	<b>7060</b>
<b>NOTE No.24 - Finance Costs</b>		
Bank Charges	4	4
<b>TOTAL</b>	<b>4</b>	<b>4</b>
<b>NOTE No. 25 - DEPRECIATION AND AMORTISATION EXPENSES</b>		
Depreciation	18331	37402
Preliminary expenses	-	-
<b>TOTAL</b>	<b>18,331</b>	<b>37,402</b>

Particulars	As at 31 March 2018	As at 31 March 2017
<b>NOTE No.26 - OTHER EXPENSES</b>		
Rates and taxes	807	1110
Power and fuel	130	761
Printing and stationery	198	230
Telephone and Postage	1007	3236
Travelling and conveyance	117	166
Insurance	-	19
Office Maintenance	269	228
Repairs and maintenance - Buildings	2	-
Repairs and maintenance - Machinery	173	128
Repairs and maintenance - Others	222	292
Administration and other exp	204	299
Web development charges	-	-
Advertisement	160	229
Director Sitting Fees	127	82
Legal and professional	800	1340
Miscellaneous expenses	443	423
Rent	870	373
Exhibition expenses	-	484
Payments to auditors		
Statutory audit	350	350
Taxation matters	50	50
Other services	215	145
<b>TOTAL</b>	<b>6,144</b>	<b>9,945</b>

## B. NOTES ON ACCOUNTS

### 1. CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS LIABILITY:

Claims against the company which has not been acknowledged as debt for the year ended 31<sup>st</sup> March 2016 includes demands from the Income Tax Authorities for payment of Tax including interest for the issues mentioned hereinafter. Rs. 8.89 crores pertaining to the assessment years 1996-97, 1997-98 and 1998-99.

The demands for these years are due to disallowance of Training Income in STP/EHTP. The matters are pending to these years in the Supreme Court of India. So also demand and interest of Rs. 21.53 pertaining to the assessment year 2000-01 is due to the treatment of Goodwill which is now pending in the High Court of Madras. For the assessment year 2001-02, 2002-03 and 2003-04 the demand and including interest is Rs. 109.09 crores due to the treatment of unrealized sales and opening of fresh cases u/s 263. These matters are pending in the Supreme Court of India. For the assessment years 2004-05, 2005-06 and 2006-07 the demands inclusive interest are Rs. 48.03 crores which arose due to opening of the files afresh u/s 147 due to non deduction of TDS for some matters, rate of depreciation etc. The company has appealed against the same in the High Court of Madras and has obtained a stay order. For the assessment years 2008-09, 2009-10, 2010-11, 2012-13, 2013-14, 2014-15 there is a total demand of Rs. 10.15 crores including interest because of the dispute in the rate depreciation, deduction of TDs in some matters and these matters are now with the Commissioner of Income Tax (Appeals) There is also matter pending for Pentasoft Technologies (now merged with Pentamedia Graphics) where demand inclusive interest is Rs. 6.30 crores for issues pertaining to unrealized sales. The company has contested all the demands and the Management including the advisors is very confident that they will all be upheld in the process.

### CASES FILED BY THE COMPANY AGAINST INCOME TAX THE DEPARTMENT

1. We have filed a WP 2357/2010 and got a stay order dated 15.07.2010 and to dispose of all the issues /appeals from 1996 to 2000 -07 within 8 weeks from the date of the order.
2. Revised returns has been filed by the company for the AYs 2001-02 to 2004-05 on 31.03.2008 writing off Rs. 690 Crores of impaired assets is still pending with the department . The Madras High Court vide order/ direction dated 11.01.2010 has asked the departments to consider the revised returns.
3. We have filed a WP 25120/2010 for Pentasoft Technologies and got a stay order dated 18.12.2009 till such time all the issues /appeals from 1996 to 2000 -07 are disposed off.

### CASES FILED BY THE INCOME TAX THE DEPARTMENT AGAINST THE COMPANY

1. Department has filed in the Supreme Court of India against Pentasoft Technologies (now merged with Pentamedia Graphics) for Assessment Years 2001-02 and 2002-03 challenging the Depreciation on Non Compete Fees upheld by the Madras High Court The Management believes that the ultimate outcome of the proceedings will not have any adverse to the company.
2. The company has recognized deferred tax liability (Net) Rs. 19.66 lakhs as per the requirements of Accounting standard 22.

### 3. EPS

Number if equity shares of Re.1/- each (basic)	41,50,26,168
Number if equity shares of Re.1/- each (diluted)	41,50,26,168
Net Profit/Loss after tax available for	
Equity Shareholders Rs.	10,82,000
Basic EPS-Weighted Average Rs.	0.00
Diluted EPS-Weighted Average	0.00

### 4. SEGMENTAL REPORTING PRIMARY BUSINESS SEGMENTAL RESULTS.

As the assets (Computers and Software's) are being used interchangeably by different segments, segmentwise capital employed is not ascertainable.

PARTICULARS	Rs. In '000
Sales & Services	
Media Products & Services	
Software Products & Services	32405
<b>TOTAL</b>	<b>32405</b>
<b>Profit Before Interest &amp; Tax</b>	
Media/Software Products & Services	277
<b>TOTAL</b>	<b>277</b>
Depreciation and amortization	18331
Interest	4
Profit Before Tax & Extraordinary item	(600)

### 5. PAYMENTS TO AUDITORS:

PARTICULARS	2016-17	2016-17
a. Statutory Audit	350	350
b. Tax Audit	50	50
c. Certification and other Services	215	145
<b>Total</b>	<b>615</b>	<b>545</b>

## 6 DISCLOSURES IN RESPECT OF RELATED PARTIES PURSUANT TO ACCOUNTING STANDARD 18

List of Related Parties:

Related Parties/Promoters: Mayajaal Entertainment Limited  
Pentafour software Employees foundation

Key Management Personnel: Mr.V.Venkataramanan  
Whole time Director

Related Party Transactions Outstanding (Rs. In '000)

Particulars	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
a. Mayajaal Entertainment Limited	NIL	17831Cr
b. Pentafour Software Employees Welfare Foundation	NIL	13.95 Cr

Particulars	subsidiaries	Fellow subsidiaries	Key Management personnel	Total
Purchase of Goods	NIL	NIL	NIL	NIL
Sale of Goods	NIL	NIL	NIL	NIL
Purchase of Fixed Assets	NIL	NIL	NIL	NIL
Sale of Fixed Assets	NIL	NIL	NIL	NIL
Rendering of Services	NIL	NIL	NIL	NIL
Receiving of Services	NIL	NIL	NIL	NIL
Collection Arrangements	NIL	NIL	NIL	NIL
Leasing or Hire Purchase Agreements	NIL	NIL	NIL	NIL
Transfer of Research & Development	NIL	NIL	NIL	NIL
Licence Agreements	NIL	NIL	NIL	NIL
Finance (including Loans & Equity Contributions in cash or in kind)	NIL	NIL	NIL	NIL
Guarantees & Collaterals	NIL	NIL	NIL	NIL
Rent Received	NIL	NIL	NIL	NIL
Payment of Salary	NIL	NIL	NIL	NIL

## 7. MANAGERIAL REMUNERATION

PARTICULARS	2017-2018	2016-2017
Salary	1700	2400
Contribution to PF & Other Funds	NIL	NIL
Commission	NIL	NIL

Computation of net profit under section 197/198 of the companies Act, 2013 and Director's Commission

	2017-2018	2016-2017
Net Profit (Loss) for the year as per Profit & Loss a/c	(600)	4418
Add: Depreciation as per Profit & Loss a/c	18331	37402
Less: Director's Remuneration	1700	2400
Director's Sitting Fees	127	83
Depreciation as per companies Act 2013	18331	37402
Net Profit	NIL	1935

Managerial Remuneration paid to the director is in accordance with Part II Schedule V of companies Act 2013.

**8. COMPUTER SOFTWARE FOR MULTIMEDIA**

The company is mainly engaged in Multimedia business of consultancy, training, sale of digital content, service for pre-post production, special/visual effects and distribution is not capable of being expressed in any generic units.

**9. EXPENDITURE IN FOREIGN CURRENCY**

	2018	2017
<b>Import on CIF basis</b>		
Raw Materials	NIL	NIL
Spare Parts, Components & Consumables Travel (including maintenance allowances)	NIL	NIL
Others (incl. listing fees, seminar expenses & expenditure incurred overseas for Multimedia Development)	NIL	NIL

**10. EARNING IN FOREIGN CURRENCY**

	2018	2017
Multimedia Development Services & Products (Exports)	NIL	NIL

**11. PREVIOUS YEAR COMPARATIVES**

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classifications/disclosures.

**12. All figures are rounded off to nearest in thousands**

**As per our separate report of even date**

**Babuperam & Associates**  
Chartered Accountants

**For and on behalf of the Board**

**V.VENKATARAMANAN**  
Whole Time Director

**R.KALYANARAMAN**

Director

**CA.Babuperam**

Membership No.200803  
Firm Registration No.012721S

Place: Chennai

Date: 30/05/2018



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# PENTAMEDIA GRAPHICS LIMITED

CIN: L74210TN1976PLC007142

Regd Office: No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai -600024

Ph No: 044-24833067, Fax No: 044-24726042, E-Mail ID: shares@pentamedia.in, website: www.pentamedia.in

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint shareholders may obtain additional attendance slips on request. (Folio Nos., DP ID\*, Client ID\* & Name of the Shareholder / Joint holders / Proxy in BLOCK LETTERS to be furnished below).

Shareholder Name	DP ID*	Client ID*	Folio	No of shares held

I hereby record my presence at the 42<sup>nd</sup> Annual General Meeting of the Company, to be held on, Thursday, 27<sup>th</sup> Day of September, 2018 at 3.00 P.M. at No. 9 First main Road, United India colony, Kodambakkam, Chennai – 600024.

Signature of the Shareholder / Proxy \_\_\_\_\_

### NOTES:

- (1) Shareholders / Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the gate after affixing their signature on it.
- (2) Shareholders are requested to advise, indicating their Folio Nos. DP ID\*, Client ID\*, the change in their address, if any, to the Registrar & Share Transfer Agents, at M/s. CAMEO CORPORATE SERVICES LIMITED, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.

\*Applicable for investors holding shares in Electronic (Demat) Form.

## FORM NO. MGT-11 PROXY FORM

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

CIN : L74210TN1976PLC007142  
Name of the company : **PENTAMEDIA GRAPHICS LIMITED**  
Registered office : No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai -600024  
Name of the member (s) :  
Registered address :  
E-mail Id :  
Folio No/ Client Id :  
DPID :

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : ..... E-mail Id: .....  
Address : ..... Signature : ..... or failing him/her
2. Name : ..... E-mail Id: .....  
Address : ..... Signature : ..... or failing him/her
3. Name : ..... E-mail Id: .....  
Address : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 42<sup>nd</sup> Annual General Meeting of the company, to be held on the Thursday 27<sup>th</sup> Day of September, 2018 At 3.00 P.M at Studio, Liberty park Hotel, No. 9 First main Road, United India colony, Kodambakkam, Chennai – 600024 and at any adjournment thereof in respect of such resolutions as are indicated below:

-----

**Resolution No.**

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March, 2018 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.

**SPECIAL BUSINESS**

2. To appoint Mr. C.V.Ravi as Independent Director.
3. To appoint Mrs. V.N.Parvathy as Director.
4. To appoint Mr. V.Venkataramanan as Whole Time director.

Signed this..... day of..... 2018

Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting**

# PENTAMEDIA GRAPHICS LIMITED

CIN: L74210TN1976PLC007142

Regd Office: No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai -600024

Ph No: 044-24833067, Fax No: 044-24726042, E-Mail ID: shares@pentamedia.in, website: www.pentamedia.in

Form No. MGT-12

## POLLING PAPER

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name	<b>PENTAMEDIA GRAPHICS LIMITED</b>
Registered office	No.30-A, Akbarabad 1st Street, Kodambakkam, Chennai -600024.

### BALLOT PAPER

S. no.	Particulars	Details
1	Name of the First Named Shareholder (In block letters)	
2	Postal address	
3	Registered folio No	
4	Class of Share	EQUITY

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No.	Particulars	No. of shares held by me	I assent to the Resolution	I dissent from the Resolution
1	Adoption of Annual Accounts			
2	Appointment of Mr. C.V.Ravi as Independent director.			
3	Appointment of Mrs. V.N.Parvathy as director.			
4	Appointment of Mr. V.Venkataramanan as Whole time director.			

Place:

Date:

(Signature of the shareholder)

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**PENTAMEDIA GRAPHICS LIMITED**

**CIN :** L74210TN1976PLC007142

**Regd Office:** "Taurus" No. 25, 1st Main Road,  
United India Colony, Kodambakkam, Chennai - 600 024.

**Ph No.:** 044-24833067, **Fax :** 044-24726042,

**E-Mail ID :** shares@pentamedia.in, **website :** www.pentamedia.in