

PINE ANIMATION LIMITED

(Formerly known as Four K Animation Limited)

24th ANNUAL

REPORT

FOR THE YEAR ENDED



31st MARCH, 2013



PINE ANIMATION LIMITED

DIRECTORS:

**Mr.Nagaraja Sharma Rajagopalan
Mr.Lalji Ramraj Yadav
Mr.Mandar Subhash Palav
Mr.Deepak Prakash Rane
Mr.Nirmal Pragjibhai Jodhani
Mr.Priyesh Prakash Pethe**

BANKERS:

Allahabad Bank

AUDITORS:

**RAHUL R JAIN & ASSOCIATES
Chartered Accountants**

REGISTERED OFFICE:

**Flat No.5, New No.26,
Chari Street, T. Nagar,
Chennai, Tamil Nadu.
India. 600017**

**R EGISTRAR AND SHARE
TRANSFER AGENTS:**

**SYSTEM SUPPORT SERVICES
209,Shivai Industrial Estate,89,Andheri- Kurla
Road, Sakinaka,Andheri(East),Mumbai-400072**

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the shareholders of the Company **PINE ANIMATION LIMITED** (Formerly known as Four k Animation Limited) will be held on Monday, the 30th September 2013 at 09.30 A.M. at 45(old24), Venkata maistry Street, 2nd Floor, Mannady, Chennai-600001. to transact the following business:

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as at and the Audited Profit and Loss Account of the Company for the period ended 31st March, 2013 together with Directors' Report and Auditors' Report thereon.

2) To consider and if thought fit, to pass with or without modifications, the following, resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Priyesh Pethe, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as the director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled.

3) To consider and if thought fit, to pass with or without modifications, the following, resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Nirmal Pragjibhai Jodhani, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as the director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled.

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

“RESOLVED THAT Mr. Deepak Prakash Rane, a Director liable to retire by rotation, who does not seek re-election, be not re-appointed as the director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled.

5) To appoint M/s. RAHUL R JAIN & ASSOCIATES, Chartered Accountants, Mumbai as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS:**6) Appointment of Mr. Santosh Sharma As The Director:**

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

“RESOLVED THAT Mr. Santosh Sharma_a director who was appointed as additional director w.e.f 2nd September 2013 in the meeting of the Board of Directors held on 2nd September 2013 and who holds office only upto the date of Annual General Meeting and in respect of whom notices under section 257 of the companies Act, 1956 have been received from some members signifying their intention to propose Mr. Santosh Sharma_as a candidate for the office of Director of the company be and is hereby appointed as Director of the company.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto.”

7) Appointment of Mr. Santosh Sharma as the Executive Director:

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

“RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the appointment of Mr. Santosh Sharma as Executive Director of the company in accordance with Schedule XIII of the Companies Act, 1956 to hold office of Executive Director for a period of one year i.e 2nd September 2013 to 1st September 2014 on such terms and conditions as contained in an agreement proposed to be entered into between the company and Mr. Santosh Sharma, and as set out in the explanatory statement to this resolution.

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto.”

8) Appointment of Mr. Nagraja Rajagopalan Sharma as the Executive Director:

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

"RESOLVED THAT pursuant to section 198, 269, 309 and 310 read with schedule XIII, and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the appointment of Mr. Nagraja Rajagopalan Sharma_as Executive Director of the company in accordance with Schedule XIII of the Companies Act, 1956 to hold office of Executive Director for a period of one year from 2nd September 2013 to 1st September 2014 on such terms and conditions as contained in an agreement proposed to be entered into between the company and Mr. Nagraja Rajagopalan Sharma, and as set out in the explanatory statement to this resolution.

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized jointly and/or severally to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and sign and execute all applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all the acts, deeds and things and execute all such agreements, documents and instruments as may be required from time to time for giving effect to the above resolution and matters related thereto."

NOTES:

1. A Member entitled to attend and vote on a poll is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting. The Register of Members and Share Transfer Books will remain closed from 24th September 2013 to 30th September 2013.
2. Members are requested to address all communication regarding transfer of shares, change of address etc. directly to the Share Transfer Agent of the Company, System Support Services 209, Shivai Industrial Estate, 89, Andheri - Kurla Road, Next to Logitech Park, Above Mcdonalds), Sakinaka, Andheri (E), Mumbai, Maharashtra, 400072. and in case their shares are held in the dematerialised form, this information should be passed on to their respective Depository Participants without any delay.
3. Members desirous of availing nomination facility may send their nomination in the prescribed form. Nomination forms can be obtained from the Registrars/ Company.
4. Members desirous of obtaining any information concerning the account and operations of the Company are requested to address their queries to the Chairmen, so as to reach the Registered Office of the Company at least Seven days before the date of the Meeting, to enable the Company to make available the required information at the Meeting, to the extent possible.
5. On dematerialisation of shares, the nomination registered by the Company automatically stands cancelled. In the case of shares held in electronic (dematerialised) form, the Members are given an option of nomination at the time of opening a demat account. If no nomination is made at the time of opening the demat account, they should approach their respective Depository Participant.
6. As part of the Green Initiative in Corporate Governance, the Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents through electronic mode. In the spirit of the above circulars and as part of the Company's Green Initiative, we henceforth propose to send documents like Notice convening the general meetings, Financial Statements, Directors Report, etc. to the e-mail address provided by the members. We, therefore, appeal to the members to register their name in getting the documents in electronic mode by sending an e mail giving their Registered Folio No. and/or DP Id/Client Id to the dedicated e mail address at **pineanimationltd@gmail.com**.
7. Members/Proxies are requested to bring the Attendance Slip sent with this Notice duly filled-in for attending the meeting.
8. The relative Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
9. Members are requested to bring their copy of Annual report to the meeting.
10. In terms of circular no. MRD/DoP/Cir-05/2010 dated 20th May, 2009 issued by Securities and Exchange Board of India (SEBI) it is now mandatory for the transferee of the physical shares to furnish copy of PAN card to the Company or its RTA for registration of transfer of shares. Shareholder are requested to furnish copy of PAN card at the time of transferring their physical shares.

Explanatory Statement pursuant to Sections 173(2) of the Companies Act, 1956:**Item No.3**

Mr. Nagraja Rajagopalan Sharma was appointed as Executive Director in the meeting of Board of Directors held on 2nd September 2013 for a period of one year from 2nd September 2013 to 1st September 2014 subject to approval of shareholders. The Board of Directors recommends to appoint Mr. Nagraja Rajagopalan Sharma as the Executive Director of the Company for a period of one year.

In terms of the provisions of sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956, the above said appointment and payment of remuneration requires the shareholders' approval by way of a special resolution.

The Board recommends the proposed resolution for your approval as a special resolution. Except Mr. Nagraja Rajagopalan Sharma, no other director is interested in the resolution.

These disclosures and information will also be treated as information and disclosure provided under section 302 of the Companies Act, 1956.

Item No.6 & 7

Mr. Santosh Sharma was appointed by the Board of Directors in their meeting held on 2nd September 2013. Pursuant to provisions of section 260 of the Companies Act, 1956, he holds office only up to the date of forthcoming Annual General Meeting. Further, company has received notice from some of the shareholders pursuant to provisions of section 257 of the Act. Also the company has received a sum of Rs. 500 each towards the deposit along with the notice. The Board is of the view that Mr. Santosh Sharma knowledge and experience will be of benefit and value to the Company and, therefore, recommends his appointment as a Director of your Company liable to retire by rotation.

Mr. Santosh Sharma was also appointed as Executive Director in the meeting of Board of Directors on 2nd September 2013 with effect from 2nd September 2013 for a period of one year, i.e. from 2nd September 2013 to 1st September 2014, subject to approval of shareholders. The Board of Directors recommends to appoint Mr. Santosh Sharma the Executive Director of the Company for a period of one year, i.e. from 2nd September 2013 to 1st September 2014.

In terms of the provisions of sections 198, 269, 309, 310 and Schedule XIII of the Companies Act, 1956, the above said appointment and payment of remuneration requires the shareholders' approval by way of a special resolution.

Except Mr. Santosh Sharma, no other director is interested in the resolution. These disclosures and information will also be treated as information and disclosure provided under section 302 of the Companies Act, 1956.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 24th Annual Report of the Company along with the Audited Statement of Accounts for the year ended as on 31st March, 2013.

FINANCIAL RESULTS:

(In Rs.Lacs)

Particulars	31-03-2013	31-03-2012
Income From operations	881.37	8,94
Profit/(Loss) before Depreciation and Tax	16.76	(5.82)
Depreciation	0.46	1.18
Profit/(Loss) before Tax	16.30	(7.00)
Provision for Tax including Deferred Tax	0.72	0.08
Profit/(Loss) after Tax	15.60	7.08

BUSINESS OVERVIEW:

During the year under review the Company's operations grew manifold and stood at Rs. 881.37 Lacks as compared to Rs. 8.94 Lacks during the previous year. The Net Profit after tax stood at Rs. 15.60 Lacks as compared to loss of Rs.7.08 Lacks for the previous year.

Further the Company also during the period under review restructured its capital by sub-dividing the nominal value of the equity portion of the authorised share capital of the Company from Rs.10/- to Rs.1/-

DIVIDEND:

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and with a view to conserve the resources, they do not recommend any dividend for the year ended 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors hereby confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. That the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the profit or loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the annual accounts on a going concern basis.

5. BOARD OF DIRECTORS

During the year, Mr. Priyesh Pithe, Nirmal Pragjibhai Jodhani and Deepak Prakash Rane retire by rotation and do not seek for re-appointment. Your directors extend their sincere gratitude for valuable services provided by them during their tenure to the Board.

Pursuant to provisions of section 257 of the companies act, 1956, your directors propose appointment of Mr. Santosh Sharma as the Director and also his appointment as Executive Director for a tenure of one year and appointment of Mr. Nagarajan Rajgopalan Sharma as the Executive Director for a tenure of one year.

6. Application for change in the registered office of the company:

The Company is in the process of shifting its Registered Office from the state of Tamil Nadu to the state of Maharashtra, in Mumbai for which Company has obtained approval of shareholders vide special resolution passed through postal ballot on 09.03.2013 and application is pending before Hon'ble Regional Director, Southern Region, Chennai.

7. ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION:

The particulars as required under the provisions of Section 217(1)(e) of the Companies Act, 1956 in respect of conservation of energy and technology absorption are not required to be furnished considering the nature of activities undertaken by the company during the year under review. Further during the year under review, the Company has neither earned nor used any foreign exchange.

PARTICULARS OF EMPLOYERS:

As there is no employee covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, information relating thereto are not given forming part of this report.

CORPORATE GOVERNANCE:

Reports on Corporate Governance and Management Discussions & Analysis are annexed and form part of this report.

STATUTORY AUDITORS:

M/S RAHUL R JAIN & ASSOCIATES, Chartered Accountants, retire as statutory Auditors of Company at the conclusion of the ensuring Annual General Meeting (AGM). The Statutory auditors have confirmed their eligibility and willingness to accept the office on re-appointment in accordance with provision of section Section-224 (1B) of the Companies Act, 1956.

FIXED DEPOSITS:

Our Company has not accepted Public Deposits within the meaning of Section 58A of the Companies Act, 1956.

AUDITOR'S QUALIFICATIONS:

The Auditors of the Company have not qualified their report and there are no observations and suggestions made by the Auditors in their report and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

APPRECIATION:

The Board of Directors wish to place on record their appreciation for the co-operation and support of the Company's Bankers, its valued customers, employees and all other intermediaries concerned with the company's business.

We directors sincerely thank all members for supporting us during the difficult days. We look forward to your continued support and reiterate that we are determined to ensure that the plans are successfully implemented.

By Order of the Board of Directors

Place: Chennai
Date: 2nd September 2013

Director

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

We are committed to introduce sound corporate governance practices in organization with internal developments to position ourselves to conform to the best of corporate governance practices. The company takes feedback into account in its periodic reviews of the guidelines to ensure their continuing relevance, effectiveness and responsiveness to the needs of stakeholders. We believe that all our plans and actions must serve the underlying goal of value creation over a sustained period of time.

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

The present strength of the Board is Six Directors. The Board comprises of Executive and Non-Executive independent Directors. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions.

Board Procedure & Code of Conduct:

The Board meets at least once a quarter to discuss and decide on Company/business policy, and strategy apart from other normal Board business such as reviewing the quarterly performance and financial results. Board meetings are governed with structured agenda.

▪ Attendance of each Director at the Board Meeting and the last AGM

Seven Board Meetings were held in the Financial Year 2012-2013. The dates on which the said meetings were held are as follows:-

01.11.2012, 13.12.2012, 05.02.2013, 14.02.2013, 15.03.2013

Details of Attendance, Number of other Companies or Committees the Director (being a Director as on the date of the Directors' Report) is a Director/Chairman. :

Name of Director	Category of Directorship	No. of Board Meetings Attended	No. of other Companies In which Director	No. of Committees (other than the Company)	Attendance at the last AGM
NagarajaSharma Rajagopalan	Executive Director	2	1	1	YES
Santosh Sharma	Executive Director	NIL	NIL	NIL	NO
MandarSubhash Palav	NonExecutive Director	5	2	2	YES
Lalji Ramraj Yadav	NonExecutive Director	5	2	2	YES
NirmalPragjibhai Jodhani	NonExecutive Director	5	0	2	YES
PriyeshPrakash Pethe	Executive Director	5	1	1	YES
DeepakPrakash Rane	NonExecutive Director	5	1	1	YES

Relationship of Directors:

None of the Directors are related to one another. During the year under review, no Executive Director has any material pecuniary relationship or transactions amongst themselves or with the Company.

Directors Remuneration/ Compensation:

Sr No.	Name of the Director	Sitting Fees Rs.	Salaries, Commission Etc.	Total
1	Nagaraja Sharma Rajagopalan	NIL	NIL	NIL
2	Mandar Subhash Palav	NIL	NIL	NIL
3	Lalji Ramraj Yadav	NIL	NIL	NIL
4	Nirmal Pragjibhai Jodhani	NIL	NIL	NIL
5	Priyesh Prakash Pethe	NIL	NIL	NIL
6	Deepak Prakash Rane	NIL	NIL	NIL

3. COMMITTEES OF THE BOARD**A). AUDIT COMMITTEE:**

The Audit Committee of the Company comprises of Mr. Nirmal Jodhani (Chairman), Mr. Deepak Rane, Mr. R Nagaraja Sharma. The Board of Directors specifies the terms of reference for the Audit committee in writing. The constitution, role and the powers of the audit Committee of the company are as per the guidelines set out in the Listing Agreement with Stock Exchanges.

The constitution of Audit Committee also meets with the requirements of Section 292A of the Companies Act, 1956 & Clause 49 of the Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee cover the matters specified in aforesaid Section & Clause of Listing Agreement

i. Number of Audit Committee Meetings held and the dates:-

Four Audit Meetings were held in the Financial Year 2012-2013 and all the Committee Members attended All the Meetings. The dates on which the said meetings were held are as follows:-

01.11.2012	13.12.2012
05.02.2013	14.02.2013

Reference:-

The Audit Committee of the Board, inter-alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

ii. Efficiency and effectiveness of operations:-

1. Safeguarding of assets and adequacy of provisions for all liabilities.
2. Reliability of financial and other management information and adequacy of disclosures
3. Compliance with all relevant statutes.

iii. The Audit Committee is empowered pursuant to its terms of reference**Inter – alia to -:**

1. Investigate any activity within its terms of reference and to seek any information requires from any employee.
2. Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary/

iv. The role of the Committee is :

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by them.
3. Reviewing with the management the financial statements before submission to the Board, focusing primarily on :
 - a. Any changes in accounting policies and practices
 - b. Major accounting entries based on exercise of judgment by management
 - c. Qualifications in the draft audit report
 - d. Significant adjustments arising out of audit
 - e. The going concern assumption
 - f. Compliance with accounting standards
 - g. Any related party transactions as per the accounting standards
 - h. Compliance with legal requirements concerning financial statements
4. Reviewing with the management, external and internal auditors the adequacy of internal control system and the Company's statement on the same prior to the endorsement by the Board.
5. Reviewing reports of internal audit and discussions with them on any significant findings and follow-up thereon.
6. Reviewing the findings of any internal investigations by the internal audit where there is a suspected fraud or irregularity or failure of internal control system.
7. Discussions with the external auditors before the audit commences on nature and scope of audit as well as after conclusive audit to ascertain any areas of concern and review the comments contained in the management letter.

B) REMUNERATION COMMITTEE:**i) Terms Of Reference:**

To review, assess and recommend the appointment of Executive and Non-Executive Directors and to review their remuneration package, to recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 1956, and to administer and superintend the same.

There were no Meetings of the Remuneration Committee during the year under review as there was neither any remuneration paid to the Executive Directors nor any sitting fees paid to the Non Executive Directors.

C) SHARE TRANSFERS AND INVESTORS/SHAREHOLDERS GRIEVANCE COMMITTEE:

The Company had not received any complaints from the Shareholders. The Company has no pending transfer at the end of the financial year.

4. GENERAL BODY MEETING:

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

Year Ended	AGM /EGM	Date	Place of meeting	Special Resolutions passed:	Time
2009-10	AGM	28.09.2010	"FLAT NO.5, NEW NO.26, CHARI STREET, T. NAGAR, CHENNAI, Tamil Nadu. INDIA. 600017"	None	11.00 AM
2010-11	AGM	30.09.2011		None	11.00 AM
2011-12	AGM	29.09.2012		None	11.00 AM
2012-13	EGM	04.12.2012		1) Alteration of Capital Clause of Memorandum and Articles of Association Preferential Issue of 1,50,00,000 Equity Shares of Rs. 10 each at a price of Rs. 10/- per share Change of Name of the Company to Pine Animation Limited. 2) Delisting of Equity shares of the company from Madras Stock Exchange	11.00 AM
2012-13	EGM	09.03.2013		1) Alteration of Capital Clause of Memorandum and Articles of Association Preferential Issue of 1,00,00,000 Equity Shares of Rs. 10 each at a price of Rs. 10/- per share	11.00 AM
2012-13	Postal Ballot	09.03.2013	Through Postal Ballot	1) Shifting of the Registered Office of the Company from the State of Tamil Nadu to the State of Maharashtra subject to requisite approvals being obtained by the Company. 2) Sub-division of the nominal value of the equity portion of the authorised share capital.	-

All the resolutions including special resolutions set out in the respective Notices of the meetings aforesaid were passed by the Shareholders of the Company at the respective meetings.

5. NOTES ON DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AS REQUIRED UNDER

There are no new appointments in the year under consideration.

6. DISCLOSURES:

There are no materially significant transactions made by the company with its promoters the Directors or the Management, their subsidiaries or relatives etc., which require separate disclosure.

No penalties/strictures have been imposed on the company by any regulatory authority for non-compliance of any laws.

a. Related Party Transaction:

The Company has not entered in any related party transaction as per section 301 of the companies Act, 1956.

b. Disclosure of Accounting Treatment:

In the preparation of financial statements, the company has followed the accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

c. Disclosure of Risk Management:

The Company has laid down procedure to inform board of members about the risk assessment and Minimization procedures which is periodically reviewed by the Board.

d. Code of conduct:

The Company adopted the code of conduct and ethics for directors and senior management. The code had been circulated to all the members of the board and senior management. The Board members and senior management have affirmed their compliance with the code and a declaration signed by the manager of the company appointed in terms of the Companies Act, 1956.

7. MEANS OF COMMUNICATION:

The Board of Directors of the Company approves and takes on record the un-audited/audited financial results in the Performa prescribed by the Stock Exchange within one month of close of quarter/half year and announces forthwith the results to all Stock Exchange where the shares of the Company are listed. The results, presentations and all other official news releases are displayed at the Company's website: <http://www.fourkanimation.com> along with the websites of the Stock Exchange: www.bseindia.com.

8. GENERAL SHAREHOLDERS INFORMATION:

- | | |
|--------------------------------------|---|
| i. Annual General Meeting | Date : 30.09.2013
Time : 09.30 a.m.
45(old24), Venkata maistry, Street, 2 nd Floor, Mannady,
Chennai-600001 |
| ii. Financial Calendar | a) April to March
b) 1st Quarter Results - within 45 days from end of the Quarter.
c) 2nd Quarter Results- within 45 days from end of the Quarter
d) 3rd Quarter Results - within 45 days from end of the Quarter
e) 4th Quarter Results - within 60 days from end of the Quarter |
| iii. Date of Book Closure | 24th September 2013 till 30th September 2013
(both days inclusive) |
| iv Listing on Stock Exchanges | The Stock Exchange, Mumbai.
The Stock Exchange, Madras (Applied for Delisting) |
| v ISIN | INE452N01026 |
| vi BSE Scrip Code | 511421 |

vii Registrar and Transfer Agents**System Support Services**

209, Shivai Industrial Estate, 89, Andheri - Kurla Road, Next to Logitech Park, Above Mcdonalds), Sakinaka, Andheri(E), Mumbai, Maharashtra, 400072.
Phone: 022-28500832, 28500834
Email: sysss72@yahoo.com

viii Registered Office

Flat No.5, No 26, Chari Street, T Nagar, Chennai-600017
The Company has applied for shifting of Registered office from the state of Tamil Nadu to Maharashtra vide special resolution passed through postal ballot results of which were declared on 09.03.2013. Application is pending before the Regional Director, Southern Region, Chennai.

ix) Listing of Equity Shares:

The securities of your company are listed at BSE. The suspension in trading of equity shares of the Company was revoked w.e.f. **June 22, 2012** and securities of the company remain active at Bombay Stock Exchange Ltd. the company has paid the listing fees for the year 2013-2014 to BSE. Further, the Company has applied for delisting from Madras Stock Exchange during the year under review.

x) Market Price Data: High, Low during each month during the last financial year

No Trading took place during the year under review except in the month of March 2013 details of which are as under:

Month	Price of Pine Animation Ltd. on Bombay Stock Exchange Limited (Price in Rs. Per share)		
	High	Low	Close
March-13	441.00	441.00	441.00

xi) Buy-Back Of Shares

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

Share Transfer System:

All the transfer received are processed by the Share Transfer Agent - System Support Services 209, Shivai Industrial Estate, 89, Andheri - Kurla Road, Next to Logitech Park, Above Mcdonalds), Sakinaka, Andheri(E), Mumbai, Maharashtra, 400072.

Email: sysss72@yahoo.com and approved by the Board/Committee and returned well within the stipulated period from the date of receipt.

Distribution of Shareholding and share: 27700000 Equity Shares of Re. 10/- each holding pattern as on 31.03.2013

xii) Distribution Of Shareholding As On 31.03.2013:

Distribution of Shares	No. of Shareholders	Percentage to No. of Shareholders	No. of Shares held	Percentage to total Share Capital
1-5000	94	28.485	346500	1.251
5001-10000	74	22.424	632700	2.284
10001 - 100000	76	23.030	2793400	10.084
100001 & Above	86	26.061	23927400	86.381
Total	330	100.00	27700000	100.00

xiii) Shareholding pattern as on 31.03.2013 is as follows:

Category	No. of Shares held	Holding Strength %
Insurance Cos./Banks	Nil	Nil
U.T.I.	Nil	Nil
NRIs	Nil	Nil
Mutual Funds	Nil	Nil
Domestic Companies	806400	2.91
Resident Indians	26893600	97.09
Promoters/Directors and their relatives	Nil	Nil
Total	27700000	100.00

xiv) Dematerialization of shares

The total equity share Capital of the Company is 277,000,000 as on 31st March 2013, of which 27700000 equity shares i.e. 64.86% of the total paid up equity capital are traded in electronic form. Further from total electronically traded shares 1,46,48,100 Equity shares were held in electronic form with National Securities Depository Limited (NSDL) and 33,17,500 Central Depository Services (India) Limited (CDSL) and 97,34,400 shares are in Physical form. All the demat requests were generally processed and confirmed within 15 days of receipt.

xv) Address for correspondence:

Pine Animation Ltd.

Flat No. 5, No 26, Chari Street, T Nagar,
Chennai, Tamil Nadu 600017

Email: pineanimationltd@gmail.com

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

System Support Services

209, Shivai Industrial Estate, 89,

Andheri - Kurla Road,

Next to Logitech Park,

Above Mcdonalds),

Sakinaka, Andheri(E),

Mumbai- 400072.

Email: syss72@yahoo.com

Xvi) Secretarial Audit Report

As stipulated by the Securities and Exchange Board of India, Secretarial Audits have been carried out, by Firm of Practicing Company Secretary, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is also placed before the board of directors. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

9. Declaration under Clause 49(I)(D) of the Listing Agreement for compliance with the Code of Conduct

In terms of the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges, it is hereby declared that the Members of the Board of Directors of the Company have affirmed the compliance with the Code of conduct for the year ended 31.03.2013.

By Order of the Board of Directors

Place: Chennai
Date: 02/09/2013

Director

CEO/CFO CERTIFICATION

(1) We have reviewed financial statements and the cash flow statement of Pine Animation Ltd for the year Ended 31st March, 2013 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements and other financial information including in this report present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(2) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(3) We accept responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting We have disclosed to the Company's Auditors and the Audit Committee of Company's Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or propose to take to rectify the deficiencies.

(4) We have indicated to the Auditors and the Audit committee

(i) Significant changes in Company internal control over financial reporting during the year;

(ii) Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements.

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or other employee having a significant role in the company's internal control system over financial reporting.

By Order of the Board of Directors

Place: Chennai

Date: 02/09/2013

Director

Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE REPORT

To,
The Members of
Pine Animation Limited.
(Formerly Known as Four K Animation Limited)

We have received and examined the compliance of conditions of Corporate Governance by Pine Animation Limited for the financial year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement entered in to by the Company with Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to best of our knowledge & information and according to the explanations given to us, We hereby certified that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement entered into by the company with Stock Exchange.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Rahul R Jain & Associates
Chartered Accountants
Firm Reg.No : 133231W

Place : Mumbai.
Date: 29.05.2013

Rahul Jain
Proprietor
Membership No. 068781

MANAGEMENT DISCUSSION & ANALYSIS

Your Director are pleased to present the Management Discussion and Analysis Reports for the year ended March 31, 2013 as under

Industry Structure and Developments:

Our company is in animation industry which is still in infancy. The Indian animation industry has explored a variety of topics. Hindu mythological stories being the most common of them. Animation industry has not only survived but grown in geometrical progression over decades because it has bred very competent and skilled artists, producers and animation studios where they collaborate to produce quality work at very predictable intervals. With the advent of 3D CGI animation the dynamics have stayed intact. It is an industry with its very own distinct sensibilities and nuances. Over the last year, emergence of well loved movies franchises like Ice Age, Madagascar, Kung Fu Panda, Lorax, just to name a few, many upstart entrepreneurs and visionary artists decided to create 3D animation studios of their own. The hype continues without reaching a bubble status. After all, demand continues for these kinds of entertaining, colorful family oriented films.

Having said that, the global financial crisis did not just hit the realty projects and banking firms. It did have a trickling effect on the animation industry but limited itself to geography. But realistically it is due to growing overseas competition. It is important to note that a majority of those animation studios who never quite make the cut ventured into the industry because of the promise of easy money and not because of the love of the art. Art without heart seldom prospers and that goes for mediums such as paintings, music, literature etc. TV is very crowded and noticeably the licensing fees by broadcasters are dwindling thereby making most shows financially un-viable. It is one thing to state that the animation industry is encountering hard times.

It is, however, another thing to label the industry is bust like the dot-com crash of the early 21st century. No, not just yet not with all the new technologies and procedures coming the way of 3D animators. If anything, these tough times will only separate the cream of the crop from lame pretenders. Also, the difficulties created by global recession has translated to higher quality of animated movies. TV channels and use of digital satellites, the rapid growth of the Internet and a wide variety of other new technologies (including advances in stereoscopic and large-format projection), distributors and programmers in nearly every country require more content than ever to fill consumer demand. The general pace of international roll-outs is quicker than in the past. Films are launched simultaneously around the world and this is becoming common place. Distributors and exhibitors continue to innovate, find new ways to expand the Box Office pool. The animation industry in India is witnessing a new revenue model, which otherwise only existed in mature markets like North America, Europe, Japan etc. Merchandising and Character licensing is a fast rising industry in Asia today, particularly India. An obvious recent example is 'Chotta Bheem'. Though the product does not fall into 3D CGI category, this animated brand is facilitating the markets to mature. India is also witnessing new horizons, different applications of animation, especially in gaming, live search maps, medicine, surgery and other simulations.

Opportunities and Threat

Opportunities

With the fresh infusion of funds and change of management and control of the company during the year under review, the company has been able to regain the confidence of the investors and looks forward for viable business opportunities in the field of animation.

Threat

The Company may face risk in respect of slow down into the animation market as well as of high competition.

Business operations:

The Company is engaged in the business of Animation industry. During the year under review, the industry faced various challenges due to global and economic slowdown and increasing rates of interest rates. But looking at the huge potential in India for animation, the company is hopeful of reenter into this sector.

The company has been now focusing on the animation projects in and around the city of Mumbai. During the year, the company witnessed inflow of funds for business expansion plans of the company. Further based on this, the company has once again started its operations.

Out Look

In light of the new and vibrant management of the company and steady growth in the operations of the company and looking at the huge demand for animation in Mumbai the company is hopeful of its upward performance the future growth for the benefit of its stakeholders at large.

Internal control System

The company has an effective internal control environment which ensures that operation are managed efficiently and effectively, assets are safeguarded, regulatory are complied with and transactions are recorded after appropriate authorization. Every quarter, the significant audit findings, the corrective steps recommended and their implementation status are presented to Audit Committee.

Human relations

Human resources have always been most valuable assets for Pine Animation Ltd. During the year the company has once again gained the confidence of its Human Resource as well and company constantly seeks to attract and retain the best available talent. Human resources management incorporates a process driven approach that invest regularly in the extensive training programs.

Forward Looking and Cautionary Statements:

The statement in the management discussion and analysis reports describing company objective, projections, estimates, expectation may be "Forward looking statements" within meaning of applicable securities law and regulations are based upon the information and data available with the company assumptions with regard to global economic conditions the government regulations, tax laws other status policies and incidental factors. The company cannot guarantee the accuracy of assumption and perceived performance of the company in future. Hence, it is cautioned that the result may differ from those expressed or implied in this report.

By Order of the Board of Directors

Place: Chennai
Date: 02/09/2013

Director

Independent Auditor's Report

To the Members of Pine Animation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Pine Animation Limited**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for 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 referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the 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 the 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 the internal 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 31st March, 2013;
- (b) in the case of the 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 the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(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 purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss, 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, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For Rahul R Jain & Associates

Chartered Accountants
Firm Reg.No :133231W

Place : Mumbai.
Date: 29.05.2013

Rahul Jain
Proprietor
Membership No. 068781

Annexure to Independent Auditor's Report

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

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Fixed assets have been physically verified by the management at reasonable intervals, no material discrepancies were noticed on such verification.
(c) No substantial part of fixed assets has been disposed off during the year, and it has not affected the going concern.
- 2.(a) As explained to us, securities are held as stock in trade which treated as inventories which have been physically verified during the year by the management at reasonable intervals.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.
(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there were no contracts or arrangements referred to in section 301 of the Act, 1956. Hence Clause 5(b) of the said order is not applicable.
6. The Company has not accepted any deposits from the public and consequently, the directives issued by the Reserve Bank of India and the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under of the Companies Act, 1956 are not applicable.
7. As per information & explanations given by the management, the Company did not have any internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, the company is not required to maintain cost records as prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act, 1956.
9. (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities.

(b) According to records of the Company examined by us there are no dues of Sales Tax, Value Added Tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute.
10. In our opinion, the accumulated losses of the company are not more than fifty per cent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit but the company incurred cash losses immediately preceding financial year..
11. The Company has neither taken any loans from a financial institution or a bank nor issued any debentures.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi /mutual benefit fund / societies.
14. According to information and explanations given to us, the Company is trading in Securities. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not obtained any term loans.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. The Company has not made any preferential allotment of shares to companies or firms or parties covered in the register maintained under section 301 of the Companies Act, 1956
19. The company did not have outstanding debentures during the year.

20. During the year the Company has issued 2,47,00,000 Equity shares on preferential basis at the face value of Rs.10/- per shares.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For Rahul R Jain & Associates

Chartered Accountants

Firm Reg. No. 133231W

Rahul Jain

Proprietor

Mem. No. 068781

Place: Mumbai

Dated: 29.05.2013

<i>Balance Sheet as at 31st March 2013</i>					
Particulars	Note No.	As at 31st March 2013		As at 31st March 2012	
		Rupees	Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	277,000,000		30,000,000	
(b) Reserves and Surplus	2	(25,000,607)	251,999,393	(26,190,483)	3,809,517
(2) Non-Current Liabilities					
(a) Long-term borrowings	3	477,025	477,025	477,025	477,025
(4) Current Liabilities					
(a) Short-term borrowings	4	35,000,000		Nil	
(b) Other current liabilities	5	57,090		30,000	
(c) Short-term provisions	6	70,944	35,128,034	11,376	41,376
TOTAL			287,604,452		4,327,918
II. ASSETS					
(1) Non-current assets					
(a) Fixed assets	7				
(i) Tangible assets		53,095		86,011	
(ii) Intangible assets		20,156		33,592	
(c) Deferred tax assets (net)	8	710		(374)	
(d) Long term loans and advances	9	212,221	286,182	212,221	331,450
(2) Current Assets					
(a) Inventories	10	163,398,098		Nil	
(b) Trade receivables	11	8,875,161		3,407,138	
(c) Cash and cash equivalents	12	2,743,134		207,823	
(d) Short-term loans and advances	13	112,301,877	287,318,270	381,506	3,996,467
TOTAL			287,604,452		4,327,918
Significant Accounting Policies	22				
Notes on Financial Statements	1 to 30				
The accompanying notes are integral part of the financial statements					
In accordance with our report attached					
For Rahul R Jain & Associates Chartered Accountants Firm number: 133231W			For and on behalf of the Board of Director of Pine Animation Limited		
Rahul Jain Proprietor Membership No.068781 Place : Mumbai Date : 29.05.2013			Director	Director	

<i>Profit and Loss statement for the year ended 31st March, 2013</i>			
Particulars	Note No.	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
I. Revenue from operations	14	87,636,983	894,000
II. Other Income	15	500,477	-
III. Total Revenue (I +II)		<u>88,137,460</u>	<u>894,000</u>
IV. Expenses:			
(b) Purchase of Stock-in-Trade	16	246,974,014	170,000
(c) Changes in inventories	17	(163,398,098)	-
(d) Employee benefit expense	18	150,000	287,000
(e) Depreciation expense	19	46,352	117,761
(f) Other expenses	20	2,735,325	1,019,199
Total Expenses		<u>86,507,593</u>	<u>1,593,960</u>
V. Profit / (Loss) before tax (III - IV)		1,629,867	(699,960)
VI. Tax expense:			
(i) Current tax		70,944	-
(ii) Deferred tax		(1,084)	8,077
VII. Profit/(Loss) for the period (V - VI)		<u>1,560,007</u>	<u>(708,037)</u>
VIII. Earnings/(Loss) per equity share:			
- Basic and Diluted	21	0.15	(0.24)
Significant Accounting Policies	22		
Notes on Financial Statements	1 to 30		
The accompanying notes are integral part of the financial statements			
In accordance with our report attached			
For Rahul R Jain & Associates Chartered Accountants Firm number: 133231W		For and on behalf of the Board of Director of Pine Animation Limited	
Rahul Jain Proprietor Membership No.068781 Place : Mumbai Date : 29.05.2013		Director	Director

<i>Cash flow statement for the year ended March 31, 2013</i>				
Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
Cash flows from operating activities				
Net Profit / (Loss) After taxation		1,560,007		(708,037)
Adjustments for:				
Depreciation expenses	46,352		117,761	
Provision for Income Tax	70,944		Nil	
Miscellaneous Expenditure W/Off	Nil		205,331	
Deferred Tax Liabilities / (Assets)	(1,084)		8,077	
Interest Receivable	500,477	616,689	Nil	331,169
Operating Profit / (Loss) before Working Capital Changes		2,176,696		(376,868)
Adjustment For :				
(Increase) / Decrease in Trade Receivables	(5,468,023)		Nil	
(Increase) / Decrease in Inventories	(163,398,098)		Nil	
(Increase) / Decrease in Loans & Advances	(112,277,362)		Nil	
Increase / (Decrease) in Trade Payables	Nil		(35,435)	
Increase / (Decrease) in Other Current Liabilities & Provisions	27,090	(281,116,393)	(7,741)	(43,176)
Cash from / (paid towards) operating activities		(278,939,697)		(420,044)
Direct Taxes Paid	24,515		14,000	
Net cash from / (paid towards) operating activities	(A)	(278,964,212)		(434,044)
Cash flows from investing activities				
Interest Receivables	(500,477)	(500,477)	Nil	Nil
Net cash from investing activities	(B)	(500,477)		Nil
Cash flows from financing activities				
Proceeds from Issuance of Share Capital	247,000,000		Nil	
Proceeds from Long Term Borrowings	Nil		477,025	
Proceeds from Short Term Borrowings	35,000,000	282,000,000	Nil	477,025
Net cash from financing activities	(C)	282,000,000		477,025
Net increase/(decrease) in cash and cash equivalents	(A + B + C)	2,535,311		42,981
Cash and cash equivalents at beginning of reporting period		207,823		164,842
Cash and cash equivalents at end of reporting period		2,743,134		207,823
Cash & Cash equivalents:				
Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the balance sheet:				
In accordance with our report attached				
For Rahul R Jain & Associates		For and on behalf of the Board of Director of Pine Animation Limited		
Chartered Accountants				
Firm number: 133231W				
Rahul Jain		Director	Director	
Proprietor				
Membership No.068781				
Place : Mumbai				
Date : 29.05.2013				

<i>Notes on Financial Statements</i>					
Note 1 : Share Capital					
Particulars	As at 31st March 2013		As at 31st March 2012		
	No. of shares	Rupees	No. of shares	Rupees	
Authorized:					
Equity Shares of Rs. 10/- each	28,000,000	280,000,000	5,000,000	50,000,000	
Issued, subscribed and fully paid up:					
Equity Shares of Rs. 10/- each	27,700,000	277,000,000	3,000,000	30,000,000	
a. Rights & restriction attached to equity shareholders					
The Company has only one class of equity shares having a face value of Rs. 10/- each. Every Shareholder is entitled for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in cash of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.					
b. Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting period					
Equity Shares Outstanding					
Particulars	As at 31st March 2013		As at 31st March 2012		
	No. of shares	Value of Shares	No. of shares	Value of Shares	
Number of equity shares at the beginning of the year	3,000,000	30,000,000	3,000,000	30,000,000	
Add : Number of additional equity shares issued & subscribed during the year	24,700,000	247,000,000	-	-	
Number of equity shares outstanding at the end of the year	27,700,000	277,000,000	3,000,000	30,000,000	
* During the year the Company has issued 2,47,00,000 Equity shares on preferential basis at the face value of Rs.10/- per shares.					
c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company :					
Name of Shareholders	As at 31st March 2013		As at 31st March 2012		
	No. of shares	% of Holdings	No. of shares	% of Holdings	
a) NIL	NIL	NIL	NIL	NIL	
Note 2 : Reserves and Surplus					
Particulars	As at 31st March 2013		As at 31st March 2012		
		Rupees		Rupees	
General Reserves					
Opening Balance		1,750,000		1,750,000	
Less: Transfer from Profit & Loss Account		-		-	
Closing Balance		1,750,000		1,750,000	
Contingency Reserves					
Opening Balance		1,250,000		1,250,000	
Add : Addition during the year		-		-	
Closing Balance		1,250,000		1,250,000	
Profit & Loss Account :					
Opening Balance		(29,190,483)		(28,482,446)	
Add : Profit/ (Loss) for the Year		1,560,007		(708,037)	
Add : Transfer to Reserver		-		-	
Less : Income Tax (Earlier Year)		370,130		-	
Closing Balance		(28,000,607)		(29,190,483)	
Total		(25,000,607)		(26,190,483)	
Note 3 : Long-term borrowings					
Particulars	As at 31st March 2013		As at 31st March 2012		
		Rupees		Rupees	
From Others (Unsecured)		477,025		477,025	
Total		477,025		477,025	

Note 4 : Short-term borrowings			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
From Others (Unsecured)	35,000,000	-	
Total	35,000,000	-	
Note 5 : Other current liabilities			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Sundry Creditor for Expenses	57,090	30,000	
Total	57,090	30,000	
Note 6 : Short-term provisions			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
For Income Tax	70,944	11,376	
Total	70,944	11,376	
Note 7 : Fixed assets			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Tangible assets	53,095	86,011	
Intangible assets	20,156	33,592	
Total	73,251	119,603	
Note 8 : Deferred tax assets (net)			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Deferred Tax Assets / (Liabilities) On account of depreciation on fixed assets	(374)	7,704	
Deferred Tax Assets / (Liabilities) On account of Unabsorbed depreciation under the Income Tax Act, 1961	1,084	(8,077)	
Total	710	(374)	
Note 9 : Long term loans and advances			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Loans and advances to others (Unsecured)	212,221	212,221	
Total	212,221	212,221	
Note 10 : Inventories **			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Securities	163,398,098	-	
Total	163,398,098	-	
** Inventories, have been valued at lower of cost or market value			
Note 11 : Trade receivables			
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees	
Domestic Trade Receivables			
Trade Receivables outstanding for a period exceeding six months from the date they are due for the payment (Unsecured, Considered good)			
- Domestic Trade Receivables	1,835,388	3,407,138	
Trade Receivables outstanding for the period less than six months from the date they due for payment (Unsecured, Considered good)			
- Domestic Trade Receivables	7,039,773	-	
Total	8,875,161	3,407,138	

Note 12 : Cash and cash equivalents		
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
Cash in hand	46,164	207,823
Balance with Banks		
- in Current Account	2,696,970	-
Total	2,743,134	207,823
Note 13 : Short-term loans and advances		
Particulars	As at 31st March 2013 Rupees	As at 31st March 2012 Rupees
Loans and advances to others (Unsecured)	112,277,362	-
Balances with revenue authorities, etc.	24,515	381,506
Total	112,301,877	381,506
Note 14 : Revenue from operations		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Operating Revenue		
Revenue from sale of traded goods	87,636,983	894,000
Total	87,636,983	894,000
Note 15 : Other Income		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Interest Income	500,477	-
Total	500,477	-
Note 16 : Purchase of Stock-in-Trade		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Purchases	246,974,014	170,000
Total	246,974,014	170,000
Note 17 : Changes in inventories		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Inventories at the end of the year:	163,398,098	-
Inventories at the beginning of the year:	-	-
Net increase / (decrease)	(163,398,098)	-
Note 18 : Employee benefit expense		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Salaries	150,000	287,000
Total	150,000	287,000
Note 19 : Depreciation expense		
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees
Depreciation	46,352	117,761
Total	46,352	117,761

Note 20 : Other expenses			
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees	
Printing & Stationery	45,721	18,850	
Advertisement Expenses	5,297	-	
Conveyance	15,966	-	
Office Expenses	50,017	-	
Postage & Telegram	28,430	-	
Rent	24,000	-	
Repairs and Maintenance	9,529	-	
Telephone ,Internet & Fax Expenses	13,133	-	
Professional Fees	36,545	5,000	
Share Transfer Agent Fees	30,526	46,000	
Depository Expenses	74,722	-	
ROC Fees	1,157,000	-	
Stock Exchange Fees	1,090,119	431,025	
Bank Charges & Other Charges	126,230	-	
Misc Balance Written off	-	327,674	
Other Expenses	-	165,650	
<u>Auditors Remuneration :</u>			
Audit Fees	16,854	15,000	
Tax Audit Fees	11,236	10,000	
Total	2,735,325	1,019,199	
Note 21 : Earnings per Shares			
Particulars	For the year ended 31st March, 2013 Rupees	For the year ended 31st March, 2012 Rupees	
a. Profit/(Loss) for the period	1,189,877	(708,037)	
b. Weighted Average number of equity shares for Basic & Diluted EPS (Numbers)	7,931,233	3,000,000	
Nominal value of each equity share	10	10	
c. Basic and Diluted EPS	0.15	(0.24)	

Schedule to Note 7 : Fixed Assets

Method : Companies Act , WDV

Particulars	Rate	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK		
		Balance as at 01.04.2012	Additions for the	Deductions during	Balance as at 31.03.2013	Balance as at 01.04.2012	For the year	Reversal	Upto 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
Tangible Assets											
Computer	40%	2,975,050	-	-	2,975,050	2,894,738	32,124	-	2,926,862	48,188	80,312
Furniture & Fixture	13.91%	2,418,087	-	-	2,418,087	2,418,087	-	-	2,418,087	-	-
Office Equipment	13.91%	73,003	-	-	73,003	67,304	792	-	68,096	4,907	5,699
Air Conditions	13.91%	367,947	-	-	367,947	367,947	-	-	367,947	-	-
Intangible assets											
Software's	40%	1,200,000	-	-	1,200,000	1,166,408	13,436	-	1,179,844	20,156	33,592
Total		7,034,087	-	-	7,034,087	6,914,484	46,352	-	6,960,836	73,251	119,603
Previous Year		7,034,087	-	-	7,034,087	6,591,391	117,752	205,341	6,914,484	119,603	442,696

Note 22: Significant Accounting Policies & Notes on Financial Statements**i. Corporate Information:**

Pine Animation Limited is public limited listed company. The Company operates in the business of Trading, Animation & Software developments.

ii. Basis of Accounting & Preparation of Financial Statements:

Preparation and presentation of financial statements of the company is disclosed as per the revised Schedule VI notified under the Companies Act, 1956 However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 as adopted consistently by the Company. Accounting policies not stated explicitly otherwise are consistent with Generally Accepted Accounting Principles (GAAP).

The Company generally follows mercantile system of accounting and recognize significant items of income and expenditure on accrual basis as a going concern.

iii. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses for the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

iv. Revenue Recognition:

For dealing in Shares & Securities in cash market segment the same are accounted for on the basis of bill dates received from the brokers.

v. Employee Benefits:

Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, performance incentives etc. are recognized at actual amounts due in the period in which the employee renders the related service.

vi. Inventories:

Inventories are stated at cost or net realisable value whichever is lower.

vii. Taxes on income :

Provision for tax is made on the basis of the estimated taxable income as per the provisions of the Income Tax Act, 1961 and the relevant Finance Act, after taking into consideration judicial pronouncements and opinions of the Company's tax advisors.

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

viii. Earnings per Share:

Basic earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/ (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of shares which could have been issued on the conversion of all dilutive potential equity shares.

Note 23: Information required under Para 3 (ii) (b) of Part II of Schedule VI to the Companies Act, 1956 in respect of items traded during the year:

a. Since the Company is in the business of trading, the provisions regarding licensed and installed capacity, as well as production & raw - material consumption are not applicable.

b. Details of items traded during the year –

1) Securities & Commodities

Particulars	Units (Nos)	Amount (Rs.)
Opening Stock	NIL	NIL
Purchases	34,53,596	24,69,74,014
Sales	52,434	8,76,36,983
Closing Stock	34,01,162	16,33,98,098

Note 24: Provisions, Contingent Liabilities & Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

Note 25: The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the yearend together with the interest paid/payable as required Under the said Act have not been given.

Note 26: Disclosures under accounting standards:**a. Segment Reporting (AS-17):**

The Company operates in the business of Trading, Animation & Software developments. It operates only in Domestic Market, hence there is no business / geographical segments to be reported as required under Accounting Standard (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India.

b. Related Party Disclosure (AS-18):

Related Party Disclosure under AS-18 issued by the Institute of Chartered Accounts of India. The Management has informed that all the transactions entered during the previous year with various parties do not fall within the purview of the Accounting standard 18 "Related Party Transaction" issued by the Institute of Chartered Accountants of India. The related parties of the company at March 31, 2013 are as follows:

i. Key management personnel & status :

- Nagaraja Sharma Rajagopalan - Additional director
- Mandar Subhash Palav - Additional director
- Lalji Ramraj Yadav - Additional Director
- Nirmal Pragjibhai Jodhani - Director appointed in casual vacancy
- Priyesh Prakash Pethe - Additional director
- Deepak Prakash Rane - Director appointed in casual vacancy

The Management has informed that all the transactions entered during the previous year with various parties do not fall within the purview of the Accounting standard 18 "Related Party Transaction" issued by the Institute of Chartered Accountants of India.

Note 27: The Company had given Inter-Corporate deposit and loans and advances from the surplus fund left over after using of working capital.

Note 28: The balances of Current assets, Current liabilities including Sundry Debtors, Sundry Creditors, Loans & advances, Secured & Unsecured Loan balances are subject to Confirmation

Note 29: Figures have been rounded off to the nearest rupee.

Note 30: Comparative Figures:

Previous year's figures have been regrouped and rearranged wherever necessary to make them Comparable with the figures for the current year.

For Rahul R Jain & Associates
Chartered Accountants
Firm Reg. No. 133231W

**For & on behalf of the Board of Directors of
Pine Animation Limited**

Rahul Jain

Proprietor

Mem. No.068781

Place: Mumbai

Dated: 29.05.2013

Director

Director

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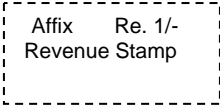
PROXY FORM

Reg.Folio no. _____ No. of shares: _____

D.P.I.D* _____ Client ID* _____

I / we _____ of _____ being a share holder / shareholders of Pine Animation Limited Hereby appoint _____ or failing him/her _____ as my/ our proxy to attend and vote for me / us and on my/ our behalf at the Annual General meeting of the Company to be held on 30th September, 2013 at 9.30 A.M. and at any adjournment thereof.

Signed this _____ day of _____, 2013



Signature of the shareholder _____

[Signature of Proxy]

Note: The Proxy form duly completed and signed must be deposited at the Registered office of the company not less than 48 hours before the time for holding the Meeting

*Applicable for shares held in electronic form.

PINE ANIMATION LIMITED

Regd. Off: Flat No.5, No.26, Chari Street, T.Nagar, Chennai,-600017.

**ATTENDANCE SLIP
Annual General Meeting**

Reg.Folio NO. _____

No. of shares held _____

Name of the Attending Member _____

D.P.I.D* _____ Client I.D.* _____

I/We hereby record my/our presence at the Annual General Meeting of the company being held on 30th September 2013 at 45(old24), Venkata maistry Street, 2nd Floor, Mannady, Chennai-600001. At 9.30 A.M
Signature of the shareholder(s), / Proxy/ Representative _____

Note:

- 1) Member / proxy holder wishing to attend the meeting must bring the attendance slip to the meeting and hand over the same duly signed at the Venue.

BOOK-POST

If undelivered please return to:

PINE ANIMATION LIMITED.

Reg.Off:-

Flat no.05,New No.26,Chari Street,T.Nagar,
Chennai-600017.