

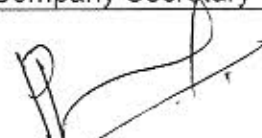


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges.

1.	Name of the Company	ACCEL TRANSMATIC LIMITED
2.	Annual financial statements for the year ended	March 31, 2014
3.	Type of observation	Un-qualified / Matter of Emphasis As per annexure.
4.	Frequency of observation	Second time
5.	To be signed by-	
	CEO / Managing Director	 Signature N.R. Panicker Chairman
	Company Secretary	 Signature S.T. Prabhu Company Secretary
	Auditor of the Company	 Signature P.R. Prasanna Varma Partner Varma & Varma Chartered Accountants
	Audit Committee Chairman	AMR x  Signature A. Mohan Rao Chairman of Audit Committee

Dated 05.09.2014

Annexure to Form A dated 05.09.2014

M/s Varma & Varma, Chartered Accountants, Chennai, auditors of the Company have emphasised in their report the following :

Quote

"Emphasis of Matter

- i. We draw attention to Note No.10.7. As stated therein, the management expects the value in use, based on estimated future cash flows, for the Intellectual Property rights amounting to Rs.7,33,26,687/- carried in the books as Intangible asset to be not less than its carrying amount. The pattern/ quantum of the cash flows would essentially depend upon crystallisation of enquiries received by the company. Hence, no adjustment for impairment is made in the books of account.
- ii. Also as stated in Note no. 4.1, the Company has suffered cash loss from its operations during the year. The Net worth of the company has been fully eroded as at the Balance Sheet date. The Current Liabilities as at the year end exceeds the Current Assets by Rs. 3,44,38,630/-. This, read with the matters stated in para (i) above, raises concerns about the ability of the Company to continue as a going concern. However, in view of the facts stated in the said notes, the Accounts have been drawn up on a going concern basis.

Our opinion is not qualified in respect of the above matters."

Unquote

The board of directors would like to clarify as below regarding "emphasis matter" expressed by the auditors in their report annexed with this annual report.

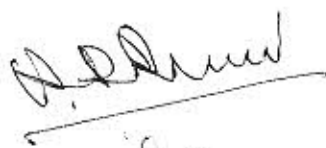
1. The company continued to incur losses during the period under review, due to various reasons like lack of viable service orders, interest cost on the borrowings made for investments in fixed assets and delays in monetising the assets due to market slowdown for animated content. The management is confident of sustaining the operations and recovering the investments made in the business.

  x 
AMR

2. The promoters have lent funds to sustain the operations during the years, the company incurred losses. These amounts have been shown under current liabilities and hence the mismatch between current assets and current liabilities. The holding company has already converted Rs 5 cr out of these funds into cumulative preference shares to strengthen the equity base of the company and also to improve the current ratio. Further they have agreed to convert Rs. 9.50 crores again into cumulative preference shares during 2014-15.
3. The company is taking adequate steps to liquidate certain real estate assets owned by the company to reduce the bank liabilities and pay statutory liabilities.
4. The management is committed to grow the media business and is confident of carrying on the business as a going concern basis and would bring in necessary support to the extent possible as and when required.
5. The company had availed an asset backed loan for Rs.7.67 crores from a bank which is payable over a period of 83 month and hence long term in nature. The long-term assets were acquired/ developed out of funds infused by the promoter companies.

The management is confident that it will be able to realise the intangible assets and with the support of its holding company and also as explained in the notes to accounts and also explained above, will continue to operate as a going concern.

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2013
2014

Annual Report

ACCEL TRANSMATIC LTD

ACCEL TRANSMATIC LTD

Forward looking statement

In this annual report, we have mentioned certain forward looking information to enable investors to comprehend our business model and future prospects and make informed investment decisions. This annual report and other communications from us, oral or written, may include certain forward looking statements that set out certain anticipated results based on management's assumptions and plans. Even though the management believes that they have been prudent in making such assumptions, we cannot guarantee that these forward looking statements will be realized. We undertake no obligation to update forward looking statements. The achievement of results is subject to various risks, known and unknown. We request readers to bear this in mind while reading this report.

ACCEL TRANSMATIC LIMITED

Annual Report 2013-14



BOARD OF DIRECTORS

N R Panicker

Chairman

A Mohan Rao

Independent Director

K R Chandrasekaran

Director

(w.e.f. 21.02.2014)

N. Gopalakrishnan Nair

Independent Director

(w.e.f. 14.11.2013)

C K Kerala Varma

Independent Director

(w.e.f. 14.08.2014)

S T Prabhu

Company Secretary

Statutory Auditors

M/s. Varma & Varma

Chartered Accountants

Adyar, Chennai 600 020

Internal Auditors

M/s. Vijayakumar & Eswaran

Chartered Accountants

Sasthamangalam, Trivandrum 695 010

Legal advisors

M/s S Ramasubramaniam & Associates

6/1 Bishop Wallers Avenue (West)

Mylapore, Chennai 600 004

Registrars & transfer agents

M/s Integrated Enterprises (India) Ltd

2nd Floor, Kences Towers

No. 1 Ramakrishan Street, North Usman Road

T Nagar, Chennai 600 017

Bankers

State Bank of India

Commercial Branch,

Thiruvananthapuram 695 014

Registered office / Corporate office

"Accel House", 75 Nelson Manickam Road

Aminjikai, Chennai 600 029

Phone:+91 44 44 4225 2200

E Mail : stprabhu@transmaticsystems.com

Website : www.acceltransmatic.com

CIN No. : L3007KL1986PLC004485

Animation Division

1) No. 132, III Floor, Murugesu Naicker Office Complex,

Hussain Mansion, Greams Road,

Thousand Lights, Chennai - 600 006.

Phone : +91-44-42015104

2) DRISHYA Building,

Animation SEZ

KINFRA Film & Video Park,

Kazhakuttam, Thiruvananthapuram - 695 585

Contact : +91-9847017248



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Notice of Annual General Meeting

Notice is hereby given that the Twenty Eighth Annual General Meeting of the members of Accel Transmatic Limited will be held at KUMAGAI AUDITORIUM, ABK – AOTS DOSOKAI, 3rd Floor, Chateau 'D' Ampa, 37 Nelson Manickam Road, Aminjikarai, Chennai 600 029, on Monday 29th, September 2014 at 11.30 A.M to transact the following business :

ORDINARY BUSINESS:

1. To consider and adopt the audited Profit and Loss account for the financial year ended 31st March 2014 and the audited Balance Sheet as at that date and Reports of the Directors and Auditors thereon.

2. To consider and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

“RESOLVED THAT Mr. Mohan Rao, (DIN : 00038214) a Director liable to retire by rotation, who does not seek re-election, is not reappointed a Director of the Company.”

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

3. To appoint a Director in place of Mr. N. R. Panicker (DIN : 00236198) who retires by rotation and being eligible has offered himself for re-appointment as a Director of the company. A brief resume of Mr. N.R. Panicker has been given in the Corporate Governance section of the Directors’ Report.

Accordingly, to consider and, if thought fit, to pass with or without modification, the following resolution as an ordinary resolution :

“RESOLVED THAT Mr. N.R. Panicker, be and is hereby re-appointed a Director of the company.”

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

RESOLVED THAT Mr.Gopalakrishnan Nair (DIN 02420937), who was appointed by the Board of Directors as an Additional Director of the company with effect from 14-11-2013 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the Act), and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature as a director of the company, be and he is hereby appointed independent director of the company to hold office for 3 (Three) consecutive years for term upto conclusion of the 31st Annual General Meeting of the company in the calendar year 2017.

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

RESOLVED THAT Mr.K.R.Chandrasekaran (DIN 00212855), who was appointed by the Board of Directors as an Additional Director of the company with effect from 21-02-2014 and

who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the Act), and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature as a director of the company, be and he is hereby appointed a director of the company, whose office is liable to determination by retirement of directors by rotation.

6. To re-appoint Shri K..R. Chandrasekaran (DIN: 00212855) as a Executive Director Cum Chief Finance Officer and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Shri K.R. Chandrasekaran. (DIN: 00212855) as a Executive Director cum Chief Finance Officer of the Company, for a period of 2(two) years with effect from 01-07-2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Shri K.R.Chandrasekaran subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

RESOLVED THAT Mr. C K Kerala Varma (DIN 06949901), who was appointed by the Board of Directors as an Additional Director of the company with effect from 14-08-2014 and who holds office up to the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 (the Act), and in respect of whom the company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature as a director of the company, be and he is hereby appointed independent director of the company to hold office for 3 (Three) consecutive years for term upto conclusion of the 31st Annual General Meeting of the company in the calendar year 2017.

8. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution; provided that in the event of the provisions



of Section 224A of the Companies Act, 1956, becoming applicable to the Company on the date of holding this meeting, the same will be proposed as a special resolution.

"RESOLVED THAT M/s. Varma & Varma, Chartered Accountants (Registration No.4532S), be and are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as shall be fixed by the Board of Directors."

9. To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

10. To consider and, if thought fit, to pass the following Resolutions as Special Resolutions with or without modification :

- (a) "RESOLVED THAT pursuant to the provisions of Section 61(1) and other applicable provisions of the Companies Act, 2013 ("the Act") and the provisions of the Articles of Association of the Company, the Authorised Capital of the Company, be and is hereby changed / altered from Rs.20 Crores (Rupees Twenty Crores only) consisting of 150,00,000 Equity Shares of Rs.10/- each and 50,00,000 Preference Shares of Rs.10/- each to Rs. 26 Crores (Rupees Twenty Six Crores only) consisting of 115,00,000 Equity Shares of Rs.10/- each and 145,00,000 Preference Shares of Rs.10/- each"

- (b) THAT Clause V of the Company 's Memorandum of Association be and is hereby altered as under :

"The Authorised Share Capital of the Company is Rs 26 Crores (Rupees Twenty Six Crores) consisting of 145,00,000 Redeemable Preference Shares of Rs.10/- each and 115,00,000 Equity Shares of Rs.10/- each, with power to consolidate, convert, sub divide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act 2013."

- (c) THAT the Articles of Association of the Company be altered by substituting the existing Article 3 by the following Article namely –

The Authorised Share Capital of the Company is Rs.26 Crores (Rupees Twenty six Crores) consisting of 145,00,000 Redeemable Preference Shares of Rs.10/- each and 115,00,000 Equity Shares of Rs.10/- each, with power to consolidate, convert, sub divide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act 2013.

11. To consider and, if thought fit, to pass, with or without modification, the following Resolutions as a Special Resolutions :

"RESOLVED THAT, subject to the applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof from time to time) and the regulations / guidelines, if any, prescribed by Reserve Bank of India and Securities and Exchange Board of India or any other relevant authority, from time to time, to the extent applicable and subject to such approvals, consents, permissions and sanctions as applicable or necessary, and subject to the provisions of the Memorandum of Association and Articles of Association of the Company, which the Board of Directors (hereinafter referred to as "the Board"), which term shall be deemed to include any committee constituted / to be constituted by the Board and authorized by the Board to exercise its powers, including the powers conferred by this Resolution) is hereby authorized to accept, the Board be and is hereby authorized on behalf of the Company, to create, offer, issue and allot up to 95,00,000 number of redeemable Preference Shares (preference shares) of face value of Rs.10/- each, in India or abroad, in such tranches, on such terms and conditions and in such manner including, but not limited to, by way of private placement or public issue or rights issue to the shareholders (including its holding company or its nominees) or to any domestic / foreign investors, through prospectus and/or letter of offer and/or circular an/or any other document as the Board may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of preference shares as may be required to be issued and allotted.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors."

RESOLVED FURTHER THAT pursuant to the provisions of the section 188 and other applicable provisions (if any) of the compnays act 2013 (including any statuty modification or reanctment their of for the time being inforce and provision of articles of association subject to compliance of all applicable laws and regulations, consent of members of the company by means of special Resolution be and is hereby accorded to the board of Directors hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose be and is hereby accorded to offer issue and allot to Accel Ltd. upto 9500000 Nos. redemable prefrences of face value of Rs. 10/- Each, in such tranches and in such manner as the board may in its absolute discretion deem fit.

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RESOLVED FURTHER THAT Mr. K. R. Chandrasekaran, Director be and is hereby authorised to execute, sign agreements and perform all such acts, deeds and also to sign documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the company.

By Order of the Board of Directors,

N.R. PANICKER
CHAIRMAN

Chennai.
14.08.2014

Registered Office:

75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029.

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member, a proxy may not vote except on a poll. The proxy form, in order to be effective, should be received at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business as set out above to be transacted at the Meeting is annexed hereto and forms part of this Notice.
3. The Register of Members and Share Transfer Books of the Company shall remain closed during the Book Closure period, ie., from 24th September, 2014 to 26th September, 2014 (both days inclusive).
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. The Members / Proxies are requested to bring their copy of the Annual Report with them at the Meeting and to produce the admission slip, duly completed and signed, at the entrance for admission to the meeting hall.
6. Notice along with explanatory statement, Annual Report and Register of Directors' Shareholding are open for inspection, during the business hours, at the Registered Office of the Company.
7. Members are hereby informed that Dividend which remains unclaimed/ un-encashed over a period of 7 years, has to be transferred as per the provisions of Section 205A of the Companies Act, 1956, by the Company to "The Investor Education and Protection Fund" (IEPF) constituted by the Central Government under Section 205C of the Companies Act, 1956.

Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of unclaimed / un-encashed dividends to the designated fund of the Central Government;

Dividend for the Financial Year	Date of Declaration of Dividend	Due date of transfer to the Central Government
2006 – 2007	24.09.2007	23.09.2014

It may please be noted that once the unclaimed / un-encashed dividend is transferred to "The Investors Education & Protection Fund", no claim shall lie in respect of such amount by the shareholder with the company.

In view of the above, the shareholders are advised to send their un-encashed dividend warrants to the Registered Office to the Company for revalidation and encash them before the due date for transfer to the IEPF.

8. The particulars of the Director, retiring by rotation and eligible for re-appointment, are given in the Report of the Directors to the Members and also in the Report on Corporate Governance.
9. The company whole-heartedly welcomes members / proxies at the annual general meeting of the company, however, the members/proxies may please note that no gifts / gift coupons will be distributed at the meeting.
10. Members who wish to obtain any information on the Company or the accounts may visit Company 's website www.acceltransmatic.com or may send their queries at least 10 days before the date of the Meeting to the Company at the Registered & Corporate office at 75, Nelson Manickam Road, Chennai – 600 029 or email to stprabhu@transmaticsystems.com.
11. While Members holding shares in physical form may write to the Company for any change in their address and bank mandates, Members having shares in electronic form may inform any change in address and bank details to their depository participant immediately.
12. Members holding more than one share certificate in the same name or joint names in same order but under different Ledger folios, are requested to apply for consolidation of such Folios and send the relevant share certificates to the Registrars and Share Transfer Agents to enable them to consolidate all such holdings into one single account.
13. Members holding shares in the physical form can avail of the nomination facility by filing Form 2B (in duplicate) with the Company or its Registrars and Share Transfer Agents, M/s. Integrated Enterprises (India) Limited, 2nd floor, Kences Towers, No.1 Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017.
14. In case the mailing address mentioned on this Annual Report is without Pin-code, Members are requested to kindly notify their Pin-codes immediately.



15. Members are requested to register their e-mail addresses with the Company for receiving the Report and Accounts, Notices, etc., in electronic mode, as a measure of support to the Green Initiative in Corporate Governance of the Ministry of Corporate Affairs, Government of India. The form for such registration can be downloaded from the Company's corporate website www.acceltransmatic.com under the section "Investor Relations" or can be furnished on request.

16. Voting through Electronic means-

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-Voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the general meeting.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (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 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:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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 last 8 digits of the demat account/folio number in the PAN field. • In case the folio 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. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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 for the relevant <Company Name> 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.



- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on Monday, 22nd September 2014 (9.00 a.m IST) and ends on Wednesday , 24th September 2014 (6.00 p.m IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 28th August 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

The company has appointed Mr R Kannan, Practising Company Secretary as the Scrutinizer for conducting the e-voting process in fair and transparent manner.

A copy of this notice has been placed on the website of the Company and the website of CDSL.

By Order of the Board of Directors,

N.R. PANICKER
CHAIRMAN

Chennai.
14.08.2014

Registered Office:
75, Neslon Manickam Road,
Aminjikarai, Chennai 600 029

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No.4:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of

Association of the Company, Mr. N Gopalakrishnan Nair as an Additional Director of the Company with effect from 14-11-2013.

In terms of the provisions of Section 161(1) of the Act, Mr. N Gopalakrishnan Nair would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr N Gopalakrishnan Nair for the office of Director of the Company.

Mr. N Gopalakrishnan Nair is 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 Independant Director.

Brief resume of Mr. N Gopalakrishnan Nair, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Item No.5

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, Mr. K.R. Chandrasekaran as an Additional Director of the Company with effect from 21-02-2014

In terms of the provisions of Section 161(1) of the Act, Mr. K.R. Chandrasekaran would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr K.R. Chandrasekaran for the office of Director of the Company.

Mr.K.R. Chandrasekaran is 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.

Brief resume of Mr.K.R.Chandrasekaran, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Item No.6

The Board of Directors of the Company (the 'Board'), at its meeting held on 23rd May 2014 has, subject to the approval of members, appointed Shri K. R. Chandrasekaran as Executive Director & CFO, for a period of 2 (two) years from 1st July 2014 at the remuneration recommended by the Nomination and Remuneration Committee (the 'NaRC Committee') of the Board and approved by the Board.

It is proposed to seek the members' approval for the appointment of and remuneration payable to Shri K.R. Chanrasekaran as Executive Director, Cum Chief Finance Officer, in terms of the applicable provisions of the Act.

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Broad particulars of the terms of appointment of and remuneration payable to Shri K.R. Chandrasekaran are as under:

Name	Details	Amount
Shri K R Chandrasekaran	Salary	100,000
	Perquisites	50,000

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The overall remuneration payable every year to the Whole-time Directors & CFO by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration based on net profits, etc. shall not exceed in aggregate one percent of the net profits of the Company as computed in the manner laid down in Section 198 of the Act or any statutory modification(s) or re-enactment thereof

(b) Reimbursement of Expenses:

Expenses incurred for travelling, board and lodging including for spouse and attendant(s) during business trips, any medical assistance provided including for the respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

(c) General:

- (i) The Executive Director & CFO will perform his duty as with regard to all work of the Company and will manage and attend to business in the best interest of the company.
- (ii) The Executive Director & CFO shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Executive Director & CFO shall adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

Shri K R Chandrasekaran satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of appointment of Shri K R Chandrasekaran under Section 190 of the Act.

Item No.7:

The Board of Directors of the Company appointed, pursuant to the provisions of Section 161(1) of the Act and the Articles of

Association of the Company, Mr. C K Kerala Varma as an Additional Director of the Company with effect from 14-08-2014.

In terms of the provisions of Section 161(1) of the Act, Mr. C K Kerala Varma would hold office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr C K Kerala Varma for the office of Director of the Company.

Mr. C K Kerala Varma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director.

Brief resume of Mr. C K Kerala Varma, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Item No.9

The existing AoA are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Companies Act 2013 (The Act).

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, inter alia, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft AoA of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;



- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;
- (e) existing articles have been streamlined and aligned with the Act;
- (f) the statutory provisions of the Act which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (g) provisions of the existing AoA which are already part of statute in the Act have not been reproduced in the new draft AoA as they would only lead to duplication – their non-inclusion makes the new AoA crisp, concise and clear and aids ease of reading and understanding.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No.9 of the Notice.

The Board commends the Special Resolution set out at Item No.9 of the Notice for approval by the shareholders.

Items No.10 and 11

The company's paid up equity share capital is Rs.11.04 crores and the equity shares are listed on Bombay Stock Exchange Limited (BSE).

At the Board Meeting held on 14-08-2014, the Board of Directors of the Company approved subject to compliance with all related formalities, the Company converting the loans taken by it from the Holding company and group companies and capitalizing the same and issuing preference shares. Further, the company has been making losses for the past few years and need to shore up its networth, which has eroded. Accordingly the company was requesting its holding company to invest in the company and / or convert the loans to preference share capital. The Holding company had conveyed its willingness to subscribe for Preference shares and hence these resolutions are proposed.

The present Authorised Capital of the Company is Rs.20 crores divided into Rs.15 crores equity capital and Rs.5 crores preference capital.

To enable the Company to issue / allot the preference as above the Board of Directors of the Company at their meeting held on 14-08-2014, subject to the approval of the shareholders, approved the Company altering / increasing the Authorised Capital and also altering the preference capital and the equity capital.

The change / increase in the Authorised Capital of the Company also requires consequential amendments to the first paragraph of Clause V of the Memorandum of Association and Article

3 of Articles of Association of the Company dealing with the Authorised Capital of the Company.

The Company may need to raise long-term resources from time to time to carry on its activities and expansion of business. Further, the holding company, Accel Limited has extended over a period of time substantial amount as corporate loans. Under the present circumstances, the servicing of this loan is difficult for the company. Further considering losses made in last few years, the networth has been eroded and it need to be shored up. The holding company, Accel Limited is willing to convert part of the loan into Preference Shares.

In view of the above, your Directors felt it would be in the overall interest of the Company to explore the option of mobilization of long-term resources by issue of preference shares by way of private placement to its Holding company and its Nominees in such manner and in such tranches as the Board may, in its absolute discretion deem fit, from time to time, subject to applicable provisions of the Companies Act, 2013 (including with the aforesaid amendment being given effect to, as also any other statutory modification or re-enactment thereof from time to time) and the provisions of the Memorandum and Articles of Association of the Company. To give effect to the above, it is proposed that the Board of Directors / any Committee thereof be authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental thereto, including listing of the preference shares.

It may be noted that the preference share capital of the Company presently representing 50,00,000 preference shares of Rs.10/- each is being increased to 145,00,000 preference shares of Rs.10/- each within the overall authorized capital of Rs.26 crores.

In view of the proposed issue of preference shares, it is deemed necessary by the Board to change the division of equity and preference share capital in its authorized capital.

The relevant Article 3 as at present and with the proposed amendment is given below for ready reference of the Members :

Present Article	Proposed Article
The Authorised Share Capital of the Company is Rs.20,00,00,000 (Rupees Twenty Crores) divided into 1,50,00,000 (One Crore Fifteen Lacs only) Equity shares of Rs.10/- (Rupees Ten only) each and 50,00,000 preference shares of Rs.10/- (Rupees Ten only) each with power to increase, modify and reduce the capital of the company and to divide the shares in the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively, preferential, differed, qualified or special rights, privileges or conditions, as may be determined under the provisions of the Act.	The Authorised Share Capital of the Company is Rs.26,00,00,000 (Rupees 26 Crores) consisting of 145,00,000 Redeemable Preference Shares of Rs.10/- each and 115,00,000 Equity Shares of Rs.10/- each, with power to consolidate, convert, sub divide, reduce or increase the capital and to issue any new shares with any preferential or special rights and conditions attached thereto subject to the provisions of the Companies Act, 2013.

The Directors recommend the adoption of the Resolutions at Item No.11 of the Notice. No Director is in any way concerned or interested in the Resolutions at Item No.11 of the Notice, except

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to the extent of his/her participating in the proposed issue of preference shares as also to the extent of participation in the proposed issue of preference shares by a financial institution / company / body corporate / firm / bank / undertaking in which the Director or his/her relative may be directly or indirectly concerned / interested.

None of the Directors and key managerial personnel (other than as mentioned above) and their relatives are deemed to be concerned or interested, financial or otherwise in the proposed special resolutions.

By Order of the Board of Directors,

The provisions of section 188 of the Companies Act 2013, governs the related party transactions, requiring a company to obtain prior approval, of the Board of Directors and in case the paid up share capital of a company is Rs.10 crores or more, the prior approval of shareholders by way of a special resolution.

Chennai.
14.08.2014

N.R. PANICKER
CHAIRMAN

The provisions of Section 188(3) also provides that any contract or arrangement entered into under Section 188(1) may be ratified by the board as the case may be and by the shareholders at a meeting within three months from the date on which that such contract or arrangement was entered into.

Registered Office:
75, Nelson Manickam Road,
Aminjikarai, Chennai 600 029

In the light of the provisions of the company act. 2013, the board of directors of your company has given in principal approval for conversion of loans from the holding company into preference shares.

All the prescribed disclosures required to be given under the provisions of Companies 2013 and the Company's (meetings of the board and its power) rules, 2014 are given herein below for the kind perusal of members.

Particulars of the proposed arrangement for the purpose of approvals u/s 188 of the companies act 2013

Members are informed that pursuant to second proviso of section 188(1) of the Companies Act 2013 , no member of the company shall vote on such special resolution to approve any contract or arrangement which may be entered into by the company, if such member is a related party. Further, by its recent General Circular No. 30/2014 dated 17.07.2014, the Ministry of Corporate Affairs has clarified that the term 'Related Party' in the second proviso to Section 188(1) refers only to such Related Party as may be a Related Party in the context of the contract or arrangement for which the special resolution is being passed.

M/s. Accel Limited is the Holding Company of the Company. In light of the provisions of Section 2(76)(viii)(A) of the Companies Act 2013, M/s. Accel Limited is a Related Party

M/s. Accel Limited is interested in the resolution set out at Item No. 11 of the Notice, which pertain to the proposed arrangement.

Mr. N. R. Panicker and Mr. K. R. Chandrasekaran are interested in the resolution set out at Item No. 11 of the Notice, considering that they are directors of Accel Limited.

Mr. S.T. Prabhu, Company Seceratory (KMP) may be deemed to be interested in the resulation considering that he is a director of Accel Limited.

The Board of Directors of your company has approved this item in the Board Meeting held on 14th August 2014 and recommends the resolutions as set out accompanying notice for the approval of members of the company as special resolutions.

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Directors' Report

Dear shareholders,

Your Directors are pleased to present the 28th annual report together with the audited accounts of the company for the year ended March 31, 2014.

(Rupees in Millions)

Particulars	2014	2013
Income from operations	15.07	36.83
Profit / (Loss) before interest, depreciation and tax	(5.76)	(9.43)
Interest	21.87	24.31
Depreciation and Amortisation	39.73	51.67
Profit / (Loss) after tax	(67.36)	(65.42)

Review of operations:

During the financial year 2013-14, your company recorded total income of Rs 15.07 mn (previous year Rs 36.83 mn) comprising income from Animation Services of Rs 13.78 mn, other services Rs.1.28 mn. The company reported a net loss of Rs 67.36 mn mainly due to the high interest outgo on borrowings from Banks and amortization of its Intellectual properties without realizing a matching revenue by monetising the same through distribution. During the year, the animation division reported a negative EBITDA of Rs.5.76 mn (previous year, a negative EBITDA of Rs.9.431 mn).

The company continued to carry on the business of content development services in Animation and Visual Effects during the year under review. During the year under review the company completed the pilot for a new project finalized to produce 6.5 hours of content in 3 D stereo for a domestic customer.

The highlights of the performance are discussed in detail in the management discussion and analysis report attached as Annexure to this report.

Going Concern

The company has suffered losses for the past several years. The accumulated losses as on date of the Balance Sheet is more than 50 % of its net worth. However, considering the expected future cash flows and the commitment of the promoters to try and revive the operations in the coming years, the potential cash flows expected to be received by the company from exploiting its IPRs, the management is of the opinion that the company would be in a position to continue as a going concern and the hence the accounts have been drawn up on such basis.

Report on conservation of energy, technology absorption etc.

Information as required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the report of board of directors) rule, 1988 regarding conservation of energy, technology absorption are given in Annexure I to this Report. The details regarding foreign exchange earnings and outgo are mentioned in the Notes to the Accounts.

Management discussion and analysis

The management discussion and analysis and various initiatives and future prospects of the company are enclosed, separately as Annexure II to this Report.

Report of Corporate Governance

A report on Corporate Governance on compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is provided in Annexure III to this Report.

Auditors Certificate on corporate governance

The certificate issued by the auditors of the company on corporate governance is given in Annexure IV to this Report.

Directors responsibility statement

The directors responsibility statement pursuant to sub section 2 AA of Section 217 of the Companies Act 1956 is given in Annexure V to this Report.

CEO /CFO Certification

The Chairman and Managing Director and the Company Secretary & Compliance Officer have submitted a certificate to the Board regarding the financial statements and other matters, as required under Clause 49 (V) of the Listing Agreement. This is provided as Annexure VI to this Report.

Particulars of employees

For the financial year 2013-14, there was no such employee who was meeting the criteria on payment of remuneration attracting the provisions of section 217 (2A) of the companies act 1956.

Dividends

Considering the losses and the necessity to conserve resources, the Directors do not recommend any dividend on the equity shares.

Directors

Mr. N.R. Panicker and Mr. A. Mohan Rao, Directors of the company, retire by rotation.

Mr. N.R. Panicker being eligible for re-appointment offers himself for reappointment.

Mr. A. Mohan Rao, though being eligible for reappointment, do not intend to offer himself for reappointment and it has been decided that such vacancy is not filled up.

Mr. A. Mohan Rao has been the Director of the company since 07-10-2004. Your Directors place on record the valuable guidance, support and advice extended by Mr. A. Mohan Rao during his tenure as a Director.

Mr. N. Gopalakrishnan Nair was co-opted as an Additional Independent Director in the Board meeting held on 14th November 2013.

Mr. K.R. Chandrasekaran was co-opted as an Additional non-Independent Director with effect from 21.02.2014.

Mr. M.R. Narayanan, Director retired at the AGM held on 14th August 2013 and ceased to be a Director.

Mr. M.R. Narayanan has been the Promoter of the company and a Director since its inception. Mr. M.R. Narayanan continued to be associated with the company even after Accel took over the company in 2004. Your Directors place on record the valuable

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guidance, support and advise extended by Mr. M.R. Narayanan during his tenure as a Director.

Mr. S.T. Prabhu resigned as a Director with effect from 21.02.2014.

Quality Management

Your company's quality policy is to enhance customer satisfaction through continued improvement of skills, processes and technologies. During the year the company continued to invest in technologies, infrastructure and processes in order to keep our quality management systems updated.

Auditors and other observation

M/s Varma & Varma, Chartered Accountants, Chennai, auditors of the Company retire at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment. The company has received confirmation from them that their appointment will be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Audit Committee of the Board has recommended their reappointment. The necessary resolution is being placed before the shareholders for approval.

The auditors have emphasised in their report about the realisation of intangible assets, that the company has incurred cash loss, networth has been eroded and the current liabilities exceeds the current assets.

The board of directors would like to clarify as below regarding "emphasis matter" expressed by the auditors in their report annexed with this annual report.

1. The company continued to incur losses during the period under review, due to various reasons like lack of viable service orders, interest cost on the borrowings made for investments in fixed assets and delays in monetising the assets due to market slowdown for animated content. The management is confident of sustaining the operations and recovering the investments made in the business.
2. The promoters have lent funds to sustain the operations during the years, the company incurred losses. These amounts have been shown under current liabilities and hence the mismatch between current assets and current liabilities. The holding company has already converted Rs 5 cr out of these funds into cumulative preference shares to strengthen the equity base of the company and also to improve the current ratio. Further they have agreed to convert Rs. 9.50 crores again into cumulative preference shares during 2014-15.
3. The company is taking adequate steps to liquidate certain real estate assets owned by the company to reduce the bank liabilities and pay statutory liabilities.
4. The management is committed to grow the media business and is confident of carrying on the business as a going concern basis and would bring in necessary support to the extent possible as and when required.
6. The company had availed an asset backed loan for Rs.. 7.67 crores from a bank which is payable over a period of 83 month and hence long term in nature. The long-term assets were acquired/ developed out of funds infused by the promoter companies.

The management is confident that it will be able to realise the intangible assets and with the support of its holding company and also as explained in the notes to accounts and also explained above, will continue to operate as a going concern.

Internal control systems

Your company has adequate internal control procedures commensurate with the size and nature of its operations. The Audit Committee constituted by the Board of Directors is functioning effectively. The Internal Audit for the year 2013-2014 was carried out by M/s. Vijayakumar & Easwaran covering all areas of operations. All significant observations were discussed in the Audit Committee, which met 4 times during the year under review.

Depository systems

Your Company's shares are tradable compulsorily in electronic form and your Company has established connectivity with both the depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository system, members are requested to avail of the facility of dematerialization of the Company's shares on either of the Depositories as aforesaid.

Acknowledgement

Your directors would like to express their grateful appreciation for the assistance and co-operation received from Central and State governments, financial institutions, banks, government authorities, customers, suppliers and investors during the year under review. Your Directors also wish to place on record their deep sense of appreciation, towards the dedicated and sincere services rendered by the employees of the company for its success.

For and on behalf of the Board of

Chennai.

Date : August 14, 2014

N.R. Panicker
Chairman

ANNEXURE I TO THE DIRECTORS' REPORT

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Conservation of energy, Technology Absorption, Adaptation and Innovation and Foreign Exchange earnings and outgo

The company's operations involve very low energy consumption and therefore the scope of energy conservation is limited. The company has taken steps to conserve electricity consumption in offices.

The company is in high technology business and is constantly upgrading technology to meet the current challenges at all levels..

The details regarding foreign exchange earnings and outgo are being mentioned in the notes to the accounts.



Annexure II to the Director's Report

Management Discussion and Analysis

The Year in Brief

The company reported a net turnover of Rs 15.07 mn for the year ended March 31, 2014 (previous year Rs 36.83 mn). The company reported a net loss of Rs 67.36 mn for the year ended March 31, 2014 (previous year Rs.65.42 mn).

During the year, the company continued to incur losses in the animation services division mainly due to lack of viable orders and required working capital to execute such orders. The company is constantly making efforts to sell its IPRs and the management is confident of monetizing the same in due course of time, considering the international quality of the production. The markets worldwide is expected to improve in the coming years after a slowdown during past few years.

Business Model

Animation Division (www.accelanimation.com)

Accel Animation Studios (AAS) was set up in July 2006. The main lines of business include 2D and 3D animation content development, visual effects creation and motion capture services. At present, the operations of the company are being carried out in its studios situated in Chennai and Thiruvananthapuram Animation SEZ.

Indian Media & Entertainment Industry

The Demand for Animated Entertainment has expanded across the world with the increase in broadcasting hours by existing channels and emergence of new Animated Entertainment channels. The increase in demand attribute to the emergence of new genre of audience for Animated Entertainment content.

Animation content generally does not become outdated as quickly as live action programming, allowing an animated program to be enjoyed by each new generation of audience and generally providing a longer life cycle for merchandising and licensing of products relating to Animation.

The International Animation industry enjoyed through the successful and mass appeal release of Animated feature Films like Dreamwork's "How to Train a Dragon 2", Disney's "Frozen", Blue Sky Studio's "Rio 2", Sony Imagework's "Cloudy and the Meet Ball 2", the combination has earned a whopping 3 billion US\$ in earning for the studios.

On the brighter side for The indian Animation Industry, India at last accepted and emerging as the fastest growing animation country along with China, both in terms of consumption and creation.

The local industry is also encouraged by the partial success of the first ever fully animated feature film based on the southern superstar Rajinikanth's Kochadaiyan. The broadcast industry is also encouraged through strong demand for local content and the feasibility for making such content becoming meaningful financially. the industry is expected to be at a INR 69 Bn in 2016 registering a CAGR of 17% from 2011 to 2016.

Lack of capital the challenge

Capital continues to remain the primary challenge for most animation companies in India, and the Government, unlike

other countries, has not offered any incentive for this industry to compete internationally. While a high quality animated production is far more expensive to create than a live action film, given the wider appeal of the genre, it has the potential to be monetized not only in India, but across several international markets as well. However, there is a significantly high cost involved in promoting and distributing this content across multiple markets. Also, post the economic slowdown, many of the projects were hit with limited funding options resulting in such projects either being delayed or shelved. Persistent escalations in the cost of production further drives up break even points and studios therefore find it difficult to find distribution partners. We have still not evolved in financing models for the animation industry, as traditional bank & institutional finance will not suit the requirements of the industry involving large gestation period in recovery of the investments.

WAY FORWARD

Some of the key success factors for animation and VFX industry going forward could be a play on the following:

- Indian animation companies need to identify innovative avenues for growing licensing and merchandising revenues
- Players need to create a local market and drive domestic consumption for animated content. However, it is imperative for players to do so at reasonable cost
- Invest in co-productions that have global appeal and are easier to distribute across global markets
- Continue to lobby with the government for incentives to provide the necessary boost to this sector for promoting outsourced work and co-production deals

Business Model The primarily engagement models will be to work on outsourced content development and post production services for Indian and overseas clients, to engage in co-production with renowned production houses, and to create own IPs for long term gains.

The studio has adopted creation of IPs as its primary engagement model. IP, once created yields recurring revenues over a long period of time, as animation contents can be telecast or sold repeatedly over the years. However, the IP creation is highly capital intensive and the revenues are expected to accrue only after an initial development and marketing period depending on the genre. Accel Animation Studios has already released two IPS, produced by the company, containing approx 20 hours of content

Human Resource Management

We have an established employee recruitment and retention policy, which involves identifying right talents through recruitment, training cum placement programme as well as lateral recruitment and providing them with appropriate training and induction.

We ensure that all our employees receive technical and managerial inputs regularly through various training programs.

Infrastructure

Our Registered Office was located in Tiruvananthapuram, Kerala which has been now shifted to Chennai, Tamilnadu. The Animation Division operates in fully equipped world class studios in Chennai and Tiruvananthapuram. The Chennai facility is about 8,000 sqft & the Thiruvananthapuram facility has about 12,000 sq.ft. These offices are well equipped with all necessary infrastructure facilities.



Finance Accounts and Operational Controls

The financial objective of the company is to bring in efficiencies of operations at all levels so as to maximize return on capital employed and to generate sufficient cash profits to fund on-going expansions and to meet the growth objectives.

The audit committee and the Board periodically review performance parameters related to financial performance of the company to ensure smooth implementation of the internal control systems and efficient management of the various resources. The audit committee conducts periodic reviews with the management, internal auditor and the external auditor. There is an on-going cost monitoring program to control various expenses and the Board reviews the variance analysis.

Financial challenges

The major challenge during the year was lack of working capital due to continuous losses incurred by the company. The company has been incurring cash losses in the Animation Division for the past 7 years. The company had to keep pace with technology and had to upgrade its facilities continuously resulting in additional expenditure, in. The promoters have been funding the losses and meeting the debt obligations during the past several years. The management has down sized the operations to keep the losses under control and is in the process restructuring the company's finances as well as operations, to make it a viable business, exploiting the digital assets and infrastructure available in the company.

Preference Shares

During the year under review, the company issued 50,00,000, 10% Cumulative Redeemable Preference Shares (Face Value Rs. 10/- Each) to the promoter company Accel Limited, aggregating to Rs 500,00,000 on 27-09-2013 and there by the loan from the Holding company was reduced saving the company interest costs. The issue was approved by the shareholders in the AGM held on August 14, 2013.

Reserves and surpluses

The General Reserves stood at Rs 28.51 mn (previous year Rs 28.56 mn) including capital reserves of Rs 12.10 mn (previous year Rs 12.16 mn.) The company has not revalued any of its assets during the year under review.

Loan profile

As on March 31, 2014, the company had an asset backed loan facility of Rs 76.7 mn (Previous year working capital facility of Rs 195.00 mn) after a restructuring of the existing facilities with the Bankers, considering the tight liquidity. The amount utilized and outstanding as on the date of the Balance Sheet was Rs 57.0 mn. Apart from this, the company owed an amount of Rs 99.9 mn to its Associate Companies (Previous year Rs 100 mn) During the year, the company repaid all outstanding public deposits.

Loans and advances

The loans and advances were Rs 10.62 mn (previous year Rs 18.34 mn) as at the end of the year under review. This includes an amount of Rs 3.51 mn (Previous year Rs 4.75 mn) lying as security deposits offered for various leased premises taken by the company and other deposits, deposits with government bodies Rs 7.11 mn (Previous year Rs. 6.99 mn), other advances amounting to Rs Nil (Previous Year Rs. 6.59 mn) and Rs 2.62 mn (previous year Rs 2.29 mn) of unbilled revenues as on March 31, 2014.

Depreciation and Amortization

The company has been following straight-line basis of depreciation at the prescribed rates mentioned in the Companies Act. The Digital Assets which are classified as Intangible Assets are currently amortized under written down value method at the rates prescribed in the Income Tax Act. During the year, the amount of depreciation and amortization charged to the Profit and Loss account was Rs 39.80 mn (previous year Rs 51.73 mn) without matching revenue. The company expects improved revenue from licensing in the coming years, which is expected to exceed the value of amortization of the digital assets. The company expects to receive revenues for the next 15 years on the digital assets from licensing of worldwide rights through broadcast and other media, whereas the amortization charge will be completed in 7 years.

Investments

During the year, the company continued to hold its investments in securities.

Interest outflow

The company incurred a total outflow of Rs 21.87 mn (previous year Rs 24.31 mn) towards interest and finance charges, and charged to the Profit and Loss account. The interest outflow also includes an amount of Rs 11.29 mn (previous year Rs 9.64 Mn) provided as interest towards unsecured loans from associated companies.

Taxation

During the year, the company has not provided for any taxes on income due to losses incurred in the current year and carried forward losses. The company, as a matter of prudence, has not accounted deferred tax assets.

Forex

During the year, the company has made a loss of Rs 0.01 mn (Previous year of Rs 0.72 mn) on account of foreign exchange fluctuations.

Room for optimism

The Animation business is all set to take a centre stage in various spears not limiting itself to entertainment and gaming. We believe our existing resources are capable to cater the needs of the growing market. The company has equipped itself with the latest technology in the field of animation and is expected to generate reasonable revenues in the future. With a specific focus on animation, the management is confident of seeing a turnaround through growth of these divisions in the coming years.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the company's objective, projections estimates and expectations may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas market in which the company operates, change in Government regulations, tax laws, interest costs, other statutes and other incidental factors.

Thus the company should and need not be held responsible, if the future turns out to be something quite different. The Discussion and Analysis should be pursued subject to this management disclaimer.

Annexure III to Directors Report**Report on Corporate Governance****Corporate Governance**

Your Company has been practicing the principle of good Corporate Governance, which comprises all activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management.

The details of Corporate Governance compliance by the Company as per Clause 49 of the Listing Agreement with Stock Exchange are as under:

Company's philosophy on Corporate Governance

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself to increasing long term Shareholder value, keeping in view the needs and interests of all its Stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

Board of Directors

The Board of the Company is well structured with adequate blend of professional, executive and independent directors.

The Board of Directors comprises of 5 Directors and four of the Directors are Non- Executive Directors. The Company has a Non Executive Chairman and more than one half of Board of Directors are Independent Directors. The day to-day operations of the company are carried out by the Divisional Head and the Executive Director from 01.07.2014 and supervised by the Board of Directors.

Board Meeting

During the year under review, 4 board meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014 and maximum interval between any two meeting was not more than 120 days.

The composition of the Board, attendance at Board Meetings (BM) held during the financial year under review and at the last Annual General Meeting (AGM) and number of Directorships and memberships /Chairmanships in public companies (including the company) are given below.

Name of Director	Category as at 23.05.2014	No. of Board meetings attended out of 5 meetings held upto 23.05.2014	Attendance at the last AGM held on 14.08.2013	As on 23.05.2014		
				No. of Director-ship in Domestic Public Companies (including this company)	Committee Position	
					Member	Chairman
N.R. Panicker	Non Executive Chairman, Promoter	05	YES	06	03	NIL
M.R. Narayanan Note 1	Non Executive, Independent	02	YES	03	NIL	NIL
A. Mohan Rao	Non Executive, Independent	05	YES	02	01	01
N. Gopalakrishnan Nair Note 2	Additional Independent Director	03	N/A	NIL	02	01
S.T. Prabhu Note 3	Company Secretary	05	YES	03	NIL	NIL
K.R. Chandrasekaran Note 4	Director	01	N/A	02	NIL	01

None of the Directors on the company's Board is a member of more than 10 committees and Chairman of more than 5 Committees across all the companies in which he is a Director. All the Directors have made necessary disclosures regarding committee positions occupied by them in other companies.

Remuneration of Directors

No remuneration has been paid to any Directors except sitting fees.

Details of Sitting Fees paid to Directors

The Company does not pay any remuneration to any non-executive directors.

No stock options have been granted to any of the non-executive directors.

The sitting fees paid to non-executive directors during the year as below:

Summary	Board and Committee Meetings		
	Board	Audit	Total
Mr. M.R. Narayanan	20,000	5,000	25,000
Mr. Mohan Rao	30,000	7,500	37,500
Mr. N. Gopalakrishnan Nair	20,000	5,000	25,000
Grand Total	70,000	17,500	87,500

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Note 1: Mr. M.R. Narayanan, Director retired at the AGM held on 14th August 2013 and ceased to be a Director.

Note 2: Mr. N. Gopalakrishnan Nair was co-opted as an Additional Independent Director in the Board meeting held on 14th November 2013.

Note 3: Mr. S.T. Prabhu resigned as a Director with effect from 21.02.2014.

Note 4: Mr. K.R. Chandrasekaran was co-opted as an Additional non-Independent Director with effect from 21.02.2014.

Board Procedure

The Board is presented with extensive information on vital matters affecting the working of the company and risk assessment and mitigation procedures. Among others, this includes:

- Operating plans, capital budgets and updates and reviews thereof.
- Quarterly results of the company and its business segments.
- Financial statements such as cash flow, inventories, sundry debtors and / or other liabilities of claims of substantial nature.
- Performance against operating plans.
- Risks faced and steps taken to mitigate/minimize the risks.
- Minutes of meeting of audit committee and other committees.
- Important show cause, demand and penalty notices.
- Materially relevant defaults in financial obligations to and by the company or substantial non payment of goods sold by the company.
- Any issue which involves possible public or product liability claims of a substantial nature.
- Proposal for diversification, investment, disinvestments and restructuring and
- Compliance of all laws applicable to the company including requirements of listing agreement with stock exchange.

All the items on the Agenda are accompanied by notes giving information on the related subject. The Minutes of the meetings of the Board are individually given to all Directors and confirmed at the subsequent Board Meeting. The Minutes of the various committees of the Board are also individually given to the Board and thereafter tabled for discussion at the subsequent Board Meeting.

Attendance of Last Annual General Meeting

All Directors of the Company attended the last Annual General Meeting held on 14th August 2013.

COMPOSITION OF COMMITTEES OF DIRECTOR AND THEIR ATTENDANCE AT THE MEETINGS.

The Board has constituted committees of Directors to take informed decisions in the best interests of the Company. These committees monitor the activities falling within their scope of reference. The Board's committees are as follows.

Audit Committee

The Audit Committee has been mandated with the same terms of reference as specified in Clause 49 of the Listing Agreement with Stock Exchange and covers all the aspects stipulated by the SEBI Guidelines. The terms of reference also fully conform to the requirements of Section 292A of the Companies Act, 1956.

Composition

The Audit Committee of Directors comprises 2 independent directors and one non- executive Chairman of whom all have relevant finance and audit exposure.

During the period under review, 4 board meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014.

The composition of the Audit Committee and their attendance at its meetings is given below.

Compo- sition	A. Mohan Rao Chairman	N.R. Panicker Member	M.R. Narayanan Member *	N. Gopalakrishnan Nair **
Number of meetings attended	4	4	2	2

* Mr. M.R. Narayanan, Director retired at the AGM held on 14th August 2013 and ceased to be a Member of the Audit Committee.

** Mr. N. Gopalakrishnan Nair was co-opted as an Additional Independent Director in the Board meeting held on 14th November 2013 and was also appointed as a Member of the Audit Committee.

The scope of the Committee includes:-

- a. 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;
- b. Recommending the appointment/removal of external auditors, fixing audit fees and approving payments for any other services;
- c. Approving fees for non-audit consulting/ services provided by the firms of statutory auditors;
- d. Reviewing with the management the periodic financial statements before submission to the Board, focusing primarily on:
 - Any changes in accounting policies and practices;
 - Qualifications in draft audit report;
 - Significant adjustments arising out of audit;
 - Compliance with accounting standards;
 - Compliance with Stock Exchange and legal requirements concerning financial statements;
 - Any related party transactions i.e. transactions of the company of material nature, with the promoters or the management, their subsidiaries or relatives etc. that may have a potential conflict with the interests of the company at large;
- e. Reviewing with the management, external and internal auditors, the adequacy of internal control systems and recommending improvements to the management;
- f. Discussing with internal auditor any significant findings and follow-up thereon.

- g. Discussing with statutory auditors before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any areas of concern;

All the audit committee meetings were usually attended by the Chairman and members of the Committee, internal auditors and statutory auditors and the Divisional Heads.

Insider Trading:

As per the amended SEBI (Prevention of Insider Trading) Regulations 1992, the company is required to have a Compliance Officer who is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Board has appointed Mr. S.T. Prabhu, Company Secretary as the Compliance Officer. The Company had adopted a Code of Conduct for all the Directors on the Board as well as Senior level employees at all locations of the Company, who have affirmed the adherence of the same.

Disclosures

- (a) Disclosure on materially significant related party transactions, i.e the company's transactions that are of material nature, with its promoters, directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the company's interest at large that may have potential conflict with the interests of the company at large.

None of the transactions with any of the related parties were in conflict with the company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Notes to financial Statements forming part of the Annual report.

The company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business, exigencies, such as synergy in operations, sector specialization and the company's long term strategy for sector investment's, optimization of market share profitability legal requirements liquidity and capital resources of subsidiaries and associates.

All related party transactions are negotiated on arms length basis, and are intended to further the company's interests.

The particulars of transactions between the Company and its related parties as per the Accounting Standard 18 "Related Party Disclosures" referred under section 211(3)(c) of the Companies Act, 1956 are set out in the notes to Accounts for the Annual Report. There have been no materially significant related party transactions, which may have potential conflicts with the interest of the company.

(b) Disclosures of Accounting treatment

In the preparation of the financial statements, the company has followed the Accounting Standards referred to under section 211(3)(c) of the companies act 1956. The significant accounting policies that are consistently applied have been set out in the Notes to the Accounts.

(c) Risk management

Business risk evaluation and management is an ongoing process within the Organization. During the period under review an exercise on Business Risk Management (BRM) was carried out covering the entire gamut of business operations and the Board was informed about the same.

(d) Details of non-compliance by the company, penalties etc

No strictures/penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any statutory authority on any matters related to capital markets after the listing of shares upto 31st March, 2014.

(e) Mandatory and Non-mandatory requirements

The Company has complied with all the applicable mandatory requirements as provided in Revised clause 49 of the Listing Agreement entered into with the stock Exchanges where company's shares are listed.

The extent of implementation of the non-mandatory requirements is as under:

Remuneration Committee

The company has a Nomination and Remuneration committee meeting the requirements of the Clause 49 of the Listing Agreement and the Companies Act 2013.

There are no Audit qualifications in the financial statements of the company for the year 2013-2014.

Whistle blower policy:

The company has a whistle blower policy. This policy is to enable employees to report to the management their concerns about unethical behaviour, actual or suspected fraud or violation of company's code of conduct of ethics policy. This mechanism provided safeguards against victimization of employees, who avail of the mechanism. This also provides for direct access to the Chairman of the Audit committee in exceptional cases. The same has put on the company's website www.acceltransmatic.in.

Information pursuant to Clause 49IV (G) of the Listing Agreement:

A brief resume and name of the companies in which Directors, who are being re-appointed, hold Directorship /s Committee Memberships are given below:

Mr. N.R. Panicker – Non-Executive Chairman

Mr. N.R. Panicker is an IT professional with 31 years of experience; he is the Founder and Chairman of Accel Limited, the main promoter of Accel Transmatic Limited and also the Executive Chairman of Accel Frontline Limited a Joint venture company of the group with CAC Holdings Corporation, Japan.

Mr. N.R. Panicker holds 625,986 equity shares of the company.

Mr. N.R. Panicker holds the following Directorships / Committee Memberships as on 31.03.2014.

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1. Accel Limited, Promoter & Director
2. Accel Frontline Limited, Executive Chairman
3. Accel Tele.net Limited, Director
4. Accel Media Ventures Limited, Director
5. Accel IT Resources Limited, Director
6. Accel Systems and Technologies Pte. Ltd., Singapore, Director
7. Accel Systems Group Inc., USA, Director
8. Accel Frontline JLT, Dubai, Director
9. Network Programs USA Inc., USA, Director
10. Network Programs Japan Inc., USA, Director
11. Accel Japan K K, Japan, Director
12. Accel Technologies Ltd. UK, Director

Mr. N.R. Panicker is also Member of Audit Committee, Stakeholders Relationship Committee and Nomination & Remuneration Committee.

Mr. K.R. Chandrasekaran – Director

A Chartered Accountant with over 31 years experience in the IT, engineering and finance industries with reputed groups such as Tata, HCL and TVS and Chief Financial Officer of Accel Frontline Ltd., He is entrusted with the job of successfully adding real value to the organization by providing dependable strategic leadership, a consistent financial perspective, and an active contribution to critical management decisions

Mr. K.R. Chandrasekaran holds 36,850 equity shares of the company.

Mr. K.R. Chandrasekaran holds the following Directorships / Committee Memberships as on 31.03.2014.

1. Accel Limited, Director
2. Kedar Ventures Private Limited, Director
3. Accel Systems Group Inc., USA, Director
4. Accel Frontline JLT, Dubai, Director
5. Network Programs USA Inc., USA, Director
6. Network Programs Japan Inc., USA, Director
7. Accel Japan K K, Japan, Director

Mr. K.R. Chandrasekaran is also Chairman of Stakeholders Relationship Committee.

Mr. N. Gopalakrishnan Nair – Director

Mr. N. Gopalakrishnan Nair (FCS) aged 72 years is a qualified practising Company Secretary since 2001. He has also completed LLB and a fellow member of ICWAI Institute. He is also a Member of MBIM from British Institute of Management, London. He is having more than 50 years of experience in Corporate Management and also an entrepreneur running educational institutions both in India and abroad since 1994. He is the Chairman of Tandem Group of Companies. He has established educational group having footprints in major places in Kerala, Tamil Nadu and Middle East.

Mr. N. Gopalakrishnan Nair holds NIL equity shares of the company.

Mr. N. Gopalakrishnan Nair holds the following Directorships / Committee Memberships as on 31.03.2014.

1. Tinfotech Services India Private Limited, Director
2. Samantra Consultancy Services Private Limited, Director

Mr. N. Gopalakrishnan Nair is also Member of Audit Committee and Stakeholders Relationship Committee and Chairman of Nomination & Remuneration Committee.

Mr. C.K. Kerala Varma - Director

Mr. C.K. Kerala Varma, 61, years old, retired as Deputy General Manager, State Bank of India and has more than 36 years experience with the Bank and has handled various assignments including Branch Head, Credit Analyst, Credit Controller, Credit Head and Credit Auditor and has excellent record of achieving goals in business, profit, relationship banking and NPA management in all assignments.

Mr. Varma has also strong communication skills in English, effective man management skills, vast experience in Corporate / SME / Retail Credit, HR, administration, marketing, relationship banking and customer service.

Mr. S.T. Prabhu resigned as a Director with effect from 21.02.2014 but continues to be the Company Secretary of the company.

Registered office

The company has after due process of law and with necessary permission shifted the Registered office from T.C. 17/27, Jagathy, Trivandrum – 695 014 to III Floor, Accel House, 75, Nelson Manickam Road, Aminjikarai, Chennai – 600 029.

Mr. S.T. PRABHU, Company Secretary who is the Compliance Officer can be contacted at:

Accel Transmatic Limited
Third Floor, Accel House
75, Nelson Manickam Road
Aminjikarai, Chennai 600029.

Tel. No. : (044) 4225 2200
Telefax. No. : (044) 2374 1271
E-Mail : stprabhu@accel-india.com

The status of the total number of Investor complaints redressed during the year is as follows:

Received 4
Replied 4

General Body Meeting

Location and time of General Meetings

Year	Type	Date	Venue	Time
2002 – 2003	AGM	30.09.2003	Lakshmi Chambers, III Floor, Vazhuthacaud, Trivandrum	12.30 pm
2003 – 2004	EGM	09.07.2004	Salvation Army, Red Shield Guest House, Kowdiar, Trivandrum	11.00 am
2003 – 2004	Court Convened General meeting	09.07.2004	Salvation Army, Red Shield Guest House, Kowdiar, Trivandrum	02 pm to 4 pm.
2003 – 2004	AGM	14.03.2005	Lakshmi Chambers, II Floor, Vazhuthacaud, Trivandrum	11.30 am
2004 – 2005	AGM	19.08..2005	USHESTECH,311, Technopark, Trivandrum	02.00 pm
2005 - 2006	AGM	15.09.2006	Conference Room, comfort Inn Grand, Statue, Thiruvananthapuram	02.00 pm
2006 - 2007	AGM	24.09.2007	Malabar Hall, Park Centre, Technopark, Trivandrum	03.00 pm
2007 - 2008	AGM	27.09.2008	Malabar Hall, Park Centre, Technopark, Trivandrum	11.00 am
2007 - 2008	EGM	04.12.2007	Malabar Hall, Park Centre, Technopark, Trivandrum	03.00 pm
2008 - 2009	AGM	27.07.2009	Malabar Hall, Park Centre, Technopark, Trivandrum	12.00 Noon
2009 - 2010	AGM	27.09.2010	Conference Hall, Park Centre, KINFRA Film & Video Park, Kazhakootam, Trivandrum 695 585	11.00 am
2009 - 2010	EGM	17.12.2010	Conference Hall, Ushus Technologies, III Floor, 311, NILA, Technopark, Trivandrum	11.30 am
2010 - 2011	AGM	27.09.2011	Conference Hall, Park Centre, KINFRA Film & Video Park, Kazhakootam, Trivandrum 695 585	11.30 am
2011 - 2012	AGM	14.08.2012	Conference Hall, Park Centre, KINFRA Film & Video Park, Kazhakootam, Trivandrum 695 585	12 Noon
2012 - 2013	AGM	14.08.2013	FreeMasons Hall, Vazhuthacaud, (Adjacent to Cotton Hill Girls High School), Thiruvananthapuram - 695 014	11.30 am

Other Disclosures

- The company has not entered into any materially significant transactions during the year, which could have a potential conflict of interest between the company and its promoters, Directors, management and / of their relatives, etc other than the transactions entered into in the normal course of business. Details of related party transactions entered into in the normal course of business are given in Notes on Accounts.
- During the year under review, no penalties or strictures were imposed on the company by the stock exchange were the company's shares are listed, SEBI or any statutory authority, on any matter relating to capital markets.

are also placed on Company's website. The Company is not in practice of sending half-yearly Report to each household of Shareholders.

The company has its own website www.acceltransmatic.com wherein official news release and other related information are available.

Notices relating to Annual General Meetings and Extraordinary General Meetings, if any, are sent to the Members at their registered address.

(ii) Management Discussion and Analysis Report :

The Management Discussion and Analysis Report set out in Annexure II forms part of the Annual Report.

COMPLIANCE WITH MANDATORY REQUIREMENTS:

The company has complied with the mandatory requirements of the Code of Corporate Governance as stipulated under clause 49 of the Listing Agreement with the Stock Exchange. The company has also complied with the requirements of amended Clause 49 after it came into force.

NON MANDATORY REQUIREMENTS

REVISED SEBI GUIDELINES ON CORPORATE GOVERNANCE

SEBI had notified on October 29, 2004, a revised /updated set of Guidelines relating to Corporate Governance which have been incorporated in the Company's Listing Agreement with the Stock Exchanges. The compliance with the earlier Guidelines were declared adequate up to March 31, 2005 (since extended up to December 31, 2005). The revised Guidelines came into effect from January 1, 2006.)

The Company is fully compliant with the revised SEBI Guidelines.

Means of Communication

- Financial Results and Annual Reports etc :

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are published during the year under review in leading national newspaper in English and are also sent immediately to the Stock Exchange with which the Shares of the Company are listed. These results

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As per the latest directive from Securities Exchange Board of India (SEBI), the transferor and the transferee have to provide documentary evidence of their PAN numbers to the effect the Share transfer.

CODE OF CONDUCT

The Board of Directors has adopted the code of business conduct and ethics for Directors and Senior Management. The said code has been communicated to the Directors and Members of the Senior Management. The code has also been posted on the Company Web site www.acceltransmatic.com

COMPLIANCE CERTIFICATE OF THE AUDITORS

The statutory auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with the stock exchange and the same is annexed to the Annual Report.

The certificate from the statutory auditors will be sent to the stock exchanges along with the annual report of the company.

For Accel Transmatic Limited,

Place : Chennai
Date : 14.08.2014

N.R. PANICKER
CHAIRMAN

General Shareholder Information

1. Annual General Meeting

Date and Time : Monday, 29th Sep 2014 at 11.30 AM

Venue : KUMAGAI AUDITORIUM
ABK – AOTS DOSOKAI
3rd Floor, Chateau 'D' Ampa,
37 Nelson Manickam Road,
Aminjikarai,
Chennai 600 029

2. Financial Calendar

Financial Year : 01st April 2013 to 31st March 2014

Results for the Quarter : 30th June End of July
30th September End of October
31st December End of January
31st March End of April or end June
(Audited figures)
as per Stock
Exchange guidelines

3. Book Closure Dates : 24th September 2014 to
26th September 2014
(Both days inclusive)

4. Listing of Shares

The Shares of the Company are presently listed on Mumbai Stock Exchange Ltd at Mumbai. The Annual Listing Fees have been paid to the Stock Exchange for Financial Year 2014 – 2015.

5. Stock Market Codes

(i) Scrip Code : 517494
(ii) Abbreviated Name : ACCEL TRANS
(iii) Demat ISIN Number : INE258CO1020

6. Stock Market Data

Month	High Price	Low Price	No. of Shares
Apr-13	5.85	5.59	965
May-13	7.06	5.85	160
Jun-13	7.39	6.71	1,720
Jul-13	7.67	6.89	1,174
Aug-13	9.92	6.32	2,372
Sep-13	8.57	6.64	265
Oct-13	10.25	8.46	840
Nov-13	11.49	9.79	407
Dec-13	12.99	9.03	479
Jan-14	13.45	7.72	6,258
Feb-14	7.68	5.66	7,843
Mar-14	5.70	4.07	43,111

Source: BSE India

7. Registrars & Transfer Agents (RTA)

M/s. INTEGRATED ENTERPRISES INDIA LIMITED,
KENCES TOWERS, 2ND FLOOR,
NO.1 RAMAKRISHNA STREET, NORTH USMAN ROAD
T.NAGAR, CHENNAI – 600017
Tel.: 044-2814 0801 – 0803
Email: sureshbabu@iepindia.com

8. Distribution of shareholding and categories of Shareholders

Category	March 31, 2014				March 31, 2013			
	No. of Share holders	% of Share Holders	No. of Shares held	% of total equity	No. of Share holders	% to Share Holders	No. of Shares	% of total equity
1 – 500	6055	89.59	611060	5.54	6037	89.64	613432	5.56
501 – 1000	270	3.99	225119	2.04	264	3.92	219479	1.99
1001 – 2000	191	2.83	295002	2.67	185	2.75	283611	2.57
2001 – 3000	71	1.05	187775	1.70	68	1.01	177985	1.61
3001 – 4000	28	0.41	100194	0.91	32	0.48	114389	1.04
4001 – 5000	31	0.46	146615	1.33	34	0.50	159652	1.45
5001 – 10000	43	0.64	329487	2.99	46	0.68	358305	3.25
10001 & above	70	1.04	9142078	82.82	69	1.02	9110548	82.53
TOTAL	6759	100.00	11037401	100.00	6735	100.00	11037401	100.00

9. Shareholding Pattern as on 31st March 2014

Category Code	Category of Shareholder	Number of Share holders	Total Number of Shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledges or otherwise encumbered	
					As a percentage of (A+B)1	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII)/(IV) * 100
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals / Hindu Undivided Family	1	6,25,986	6,25,986	5.67	5.67	-	
(b)	Central Government / State Government(s)				-	-		
(c)	Bodies Corporate	1	56,30,000	56,30,000	51.01	51.01	7,50,000	13.32
(d)	Financial Institutions/ Banks				-	-		
(e)	Any Other (Specify) Relatives of Promoters / Subsidiary	2	2,06,851	2,06,851	1.87	1.87		
	Sub-Total (A)(1)	4	64,62,837	64,62,837	58.55	58.55	7,50,000	11.60
(2)	Foreign							
(a)	Individuals (Non Resident Individuals) / Foreign Individuals	0	0	-	-	-		
(b)	Bodies Corporate	0	0	-	-	-		
(c)	Institutions	0	0	-	-	-		
(d)	Any Other (Specify)	0	0	-	-	-		
	Sub-Total (A)(2)	0	-	-	-	-		
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	64,62,837	64,62,837	58.55	58.55	7,50,000	11.60
(B)	Public Shareholding							
(1)	Institutions							
(a)	Mutual Funds / UTI	4	2,144		0.02	0.02		
(b)	Financial Institutions / Banks	4	520	400	0.00	0.00		
(c)	Central Government / State Government(s)			-	-	-		
(d)	Venture Capital Funds			-	-	-		
(e)	Insurance Companies			-	-	-		

(f)	Foreign Institutional Investors		-	-	-	-		
(g)	Foreign Venture Capital Investors		-	-	-	-		
(h)	Any Other (Specify)							
	Sub-Total (B)(1)	8	2,664	400	0.02	0.02		
(2)	Non-Institutions							
(a)	Bodies Corporate	83	4,42,869	4,38,269	4.01	4.01		
(b)	Individuals							
	i. Individual shareholders holding nominal share capital upto Rs.1 lakh.	6,588	18,33,555	15,66,232	16.62	16.62		
	ii. Individual shareholders holding nominal share capital excess of Rs.1 lakh.	58	20,96,760	20,38,260	19.00	19.00		
(c)	Any Other (Trust / Clearing Member-details enclosed)							
1	Clearing members	5	1,606	1,606	0.01	0.01		
2	Corporate CM/TM - Client Margin A/c	4	43,158	43,158	0.39	0.39		
3	Corporate CM/TM - Client Beneficiary A/c	7	15,372	15,372	0.14	0.14		
4	Trust	1	1,37,080	1,37,080	1.24	1.24		
5	Limited Liability Partnership	1	1,500	1,500	0.01	0.01		
	Sub-Total (B(2))	6747	45,71,900	42,41,477	41.43	41.43	-	-
	Total Public Share holding (B)=(B)(1)+(B)(2)	6755	45,74,564	42,41,877	41.45	41.45	-	-
	Total (A) + (B)	6759	1,10,37,401	1,07,04,714	100.00	100.00	7,50,000	6.80
C	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	6759	1,10,37,401	1,07,04,714	100.00	100.00	7,50,000	6.80

10. Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all relevant particulars as required under the Companies act, 1956 and allied Acts and Rules, the Securities and Exchange Board of India (SEBI) Regulations and the Listing Agreements with Stock Exchanges.

11. Share Transfer System

Transfer of shares in physical form has been delegated by the Board to certain officials of the Registrars, to facilitate speedy service to the shareholders. Shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 30 days of receipt of the documents, if found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares are processed, if found in order and confirmation is given to the respective depositories, i.e., National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

12. Investor Services

Investor complaints received and replied during the year 2013 – 2014:

Nature of Queries	Received	Replied
Non receipt of Certificate after transfer/ capital reduction	1	1
Procedure for Transmission	0	0
Correction in Certificate	0	0
Non receipt of Inter/Dividend Warrant/ Cheque/DD	0	0
General queries	2	2
Change of address / Bank Mandate	1	1
Procedure for loss of share certificate	0	0
Total	4	4

As at 31st March 2014, NIL investor complaints were pending. As at 31st March 2014, NIL share transfers and NIL demat requests were pending.

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The Aggregate Promoters and Non – promoter shareholding of the Company as at 31st March 2014 is as shown below:

Category	No. of Shares	% to total paid up capital	Shares held in Dematerialized Form	Shares held in Physical Form
Promoters	6,462,837	58.55	6,462,837	NIL
Non Promoters	4,574,564	41.45	4,241,877	332,687
Total	11,037,401	100.000	10,704,714	332,687

13. Dematerialisation of shares and Liquidity

As on 31st March 2014, 96.99% of the company's Equity Capital are held in dematerialized form with NSDL and CDSL. Trading in equity shares of the Company is permitted only in dematerialized form, as per the notification issued by the Securities and Exchange Board of India (SEBI).

14. Investor Correspondence

- (a) For all routine correspondence regarding transfer and transmission of shares, split, consolidation and issue of duplicate / renewed share certificates should be addressed to the Company's Registrars and Share Transfer Agents at their following address :

M/s. INTEGRATED ENTERPRISES INDIA LIMITED,
KENCES TOWERS, 2ND FLOOR,
NO.1 RAMAKRISHNA STREET, NORTH USMAN ROAD
CHENNAI – 600017
Tel: 044 28140801 / 0802 / 0803
Contact Person : Mr. Suresh Babu / Mr. Sriram

- (b) For Complaints / grievances, if any, should be addressed to :

The Company Secretary,
Accel Transmatic Limited,
75, Nelson Manickam Road
Aminjikarai,
Chennai 600 029
Tel.: 0444 – 4225 2000
Fax: 0444 – 2374 1271
Email : stprabhu@transmaticsystems.com

15. Company Website

For any further information on the Company, please visit Company's website www.acceltransmatic.com

Annexure IV to the Director's Report

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

The Members of Accel Transmatic Limited.
T.C. 17/27, Jagathy,
Trivandrum – 695 014.

We have examined the compliance of conditions of Corporate Governance by Accel Transmatic Limited for the year ended 31st March 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges

The Compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted

by the company for ensuring the compliance conditions of the corporate Governance. It is neither an audit nor an expression of opinion on the financial statements 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 the conditions of the corporate Governance as stipulated in the above mentioned Listing Agreement

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

For and behalf of
Varma & Varma
Chartered Accountants

P.R. PRASANNA VARMA F.C.A
Partner (M. No. 25854)

Place: Chennai
Date: 23.05.2014

Annexure V to Directors' Report

Directors' Responsibility Statement

Pursuant to the Sub-Section 2AA of section 217 of the Companies Act, 1956, the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate Accounting policies have been selected and applied consistently by the company and that the judgements and the estimates made thereat are prudent and reasonable so as to give a true and fair view of the state of affairs of the Company as at 31st March 2014 and of the profit of the Company for the year ended 31st March 2014.
- Proper and sufficient care has been taken in maintaining adequate accounting records of the company 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.
- The annual accounts of the company as aforesaid have been prepared on going concern basis.

Annexure VI to the Director's Report

CERTIFICATION BY MANAGING DIRECTOR AND COMPANY SECRETARY TO THE BOARD.

We, N.R. Panicker, Chairman and S. T. Prabhu, Company Secretary of Accel Transmatic Limited, certify that:

- We have reviewed the financial statements and cash flow statement for the year and that to the best of our knowledge and belief:
- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ACCEL TRANSMATIC LIMITED

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- b) These statements together present a true and fair view of the state of affairs of the Company and are in compliance with the existing Accounting Standards, applicable laws and regulations.
- 2. There are, to the best of our knowledge and belief, 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 responsibility for the Company's internal control system for financial reporting. We have periodically evaluated the effectiveness of the internal control systems of the company and have disclosed to the auditors and the audit committee deficiencies in the designs or operation of the internal controls, if any. We have also take effective steps to rectify those deficiencies, if any.
- 4. We indicate to the auditors and to the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year;
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees, who have significant role in the Company's internal control system over financial reporting.

N.R. Panicker
Chairman

S. T. Prabhu
Company Secretary

Date: 23-5-2014
Place: Chennai

INDEPENDENT AUDITORS' REPORT

To the Members,
Accel Transmatic Limited,
Chennai

Report on the Financial Statements

We have audited the accompanying financial statements of Accel Transmatic Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the 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

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") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. 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.

Auditor's 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 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 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 entity's 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.

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 March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- i. We draw attention to Note No.10.7. As stated therein, the management expects the value in use, based on estimated future cash flows, for the Intellectual Property rights amounting to Rs.7,33,26,687/- carried in the books as Intangible asset to be not less than its carrying amount. The pattern/ quantum of the cash flows would essentially depend upon crystallisation of enquiries received by the company. Hence, no adjustment for impairment is made in the books of account.
- ii. Also as stated in Note no. 4.1, the Company has suffered cash loss from its operations during the year. The Net worth of the company has been fully eroded as at the Balance Sheet date. The Current Liabilities as at the year end exceeds the Current Assets by Rs. 3,44,38,630/-. This, read with the matters stated in para (i) above, raises concerns about the ability of the Company to continue as a going concern. However, in view of the facts stated in the said notes, the Accounts have been drawn up on a going concern basis.

Our opinion is not qualified in respect of the above.

Report on Other Legal & 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 explanation, *except to the extent stated in Note No.13*, 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, Statement of Profit and Loss, and 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 Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and behalf of
Varma & Varma
Chartered Accountants

Place: Chennai
Date: 23.05.2014

P.R. PRASANNA VARMA F.C.A
Partner (M. No. 25854)

ACCEL TRANSMATIC LIMITED

ANNEXURE REFERRED TO IN OUR AUDIT
REPORT OF EVEN DATE

1.
 - a. The company is maintaining records showing full particulars, including quantitative details of fixed assets.
 - b. The fixed assets of the company have been physically verified by the management during the year, which, in our opinion is reasonable having regard to the size of the company and the nature of assets and as per the information and explanation furnished to us, no material discrepancies have been noticed on such verification.
 - c. There has not been disposal of any substantial portion of fixed assets of the company during the year, which would affect the status of the company as a going concern.
2. The Company does not carry any Inventory as at the year end and hence, the question of physical verification of inventory does not arise. Hence the Paragraph 4(ii)(a), 4(ii)(b) & 4(ii)(c) of Companies (Auditor's Report) (Amendment) Order are not commented upon by us.
3.
 - a. As explained to us, the Company has not advanced any amounts to Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence, relative reporting requirement of Para 4 (iii (a) to (d)) of the Order is not applicable and not commented upon.
 - b. The Company has taken unsecured loans from companies in which Directors are interested covered in the register maintained under Section 301 of the Companies Act, 1956. The number of parties and the amount involved are given below:

Number of Parties	Maximum Amount Outstanding	Balance as on 31.03.2014
3	19,64,58,210/-	11,61,21,127/-

- c. In respect of unsecured loans taken as above, in our opinion and according to the information and explanation furnished to us, the rate of interest, where applicable, and other terms and conditions of loans are not prima facie prejudicial to the interest of the company.
 - d. As per the information and explanations given to us, the company is not regular in payment of principal amount and interest thereon as stipulated.
4. In our opinion and according to the information and explanations given to us, the internal control systems for the purchase of fixed assets and for the sale of goods and services are generally commensurate with the size of the company and nature of its business. There are no major weaknesses in internal control of a continuing nature.
5.
 - a. According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance to contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 with the aforesaid parties exceeding value of Rupees Five Lakhs in respect of each such party which have been entered into during the financial year are at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the period and hence the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable.
7. The company has an adequate internal audit system which is commensurate with the size of the Company and nature of its business.
8. As per the information and explanation furnished to us, Cost records u/s 209(1)(d) of the Companies Act, 1956 have not been prescribed in respect of the Services of the Company.
9.
 - a. *There were delays in depositing undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Service Tax & Sales Tax with the appropriate authorities during the year.* According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth tax, Service tax, Sales tax, Excise duty, Customs Duty, Cess and other statutory dues which were outstanding at the year end for a period of more than six months from the date they became payable, *other than as stated below:-*

(Amount in Rupees)

Particulars	Outstanding at the end of the year	Payable for more than 6 months
Provident fund	21,532	-
Employees State Insurance	1,27,159	1,08,063
Professional Tax	57,538	57,538
Tax Deducted at Source	49,79,856	48,36,269

- b. As per the information and explanation furnished to us, there were no dues of sales-tax, income-tax, wealth-tax, service tax, excise duty, customs duty and cess which have not been deposited on account of any dispute, as at the year end, *except the following*

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SI No:	Particulars	Amount involved(Rs in lacs)	Forum where Dispute is pending
1	Income tax Demands	1,36,11,559	CIT Appeals
2	Customs Duty	33,88,000	Honorable High Court Of Kerala
3	PF & Others	15,03,837	Honorable High Court Of Kerala – Rs.6.90,689- EPF. EPF Appellate Tribunal , Delhi- Rs.3,04,000. EPF Appellate Tribunal, Delhi – Rs.2,38,200/-. Suit in Civil Court Chennai – Rs.0.64 lacs, Suit in civil court Kerala – Rs.2,70,948.

19. The company does not have any outstanding debentures as at the year-end.
20. The company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing Practice in India, and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such cases by the management

For and behalf of
Varma & Varma
Chartered Accountants

Place: Chennai
Date: 23.05.2014

P.R. PRASANNA VARMA F.C.A
Partner (M. No. 25854)

10. The company's accumulated loss at the end of the financial year is more than fifty per cent of net worth of the company. The company has incurred cash loss during the year and during the immediately preceding financial year.
11. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any banks or financial institutions.
12. In our opinion and according to the information and explanations given to us, and based on the documents and records produced to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities
13. In our opinion and according to the 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. In our opinion, the company is not dealing or trading in shares, securities, debentures or other investments, and accordingly, the relative reporting requirements of the order are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions
16. According to the information and explanations given to us, the term loans have been applied, for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall verification of the attached balance sheet of the company, we report that the funds raised by the company on short-term basis have not been used to finance long-term assets except to the extent of Rs.52,82,502.
18. During the year, the company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956

Balance Sheet as at

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	Note	March 31, 2014	March 31, 2013
A Equity and Liabilities			
1 Shareholders' fund			
a. Share capital	3	160,374,010	110,374,010
b. Reserves and surplus	4	(192,400,209)	(124,981,035)
		(32,026,199)	(14,607,025)
2 Non - current liabilities			
a. Long-term borrowings	5	149,141,934	85,162,753
b. Long-term provisions	6	766,424	1,015,107
		149,908,358	86,177,860
3 Current liabilities			
a. Short-term borrowings	7	0	25,411,697
b. Trade payables	8	18,392,141	13,554,871
c. Other current liabilities	9	29,271,579	91,667,072
		47,663,720	130,633,640
Total		165,545,879	202,204,475
B Assets		-	-
1 Non - current assets			
a. Fixed assets	10		
(i) Tangible assets	10 (I)	39,862,254	53,277,542
(ii) Intangible assets	10 (II)	79,621,983	99,605,929
(iii) Capital work-in-progress	10 (III)	514,000	947,360
b. Non - current investments	11	2,165	2,165
c. Trade receivables	13	30,843,400	24,434,700
d. Long term loans and advances	15 (a)	3,510,909	9,900,801
		154,354,711	188,168,497
2 Current assets			
a. Inventories	12	-	-
b. Trade receivables	13	1,171,397	1,974,778
c. Cash and bank balances	14	288,852	1,329,675
d. Short-term loans and advances	15(b)	7,113,610	8,438,689
e. Other current assets	15(c)	2,617,309	2,292,836
		11,191,168	14,035,978
Total		165,545,879	202,204,475

Statement of Significant Accounting Policies, practices and Notes to Accounts 01-24

The notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date

Varma and Varma
Firm registration No. 45325
Chartered Accountants

P R Prasanna Varma F.C.A
Membership no: 25854
Partner

Place: Chennai
Date: 23rd May 2014

For and on behalf of the board of directors

N R Panicker
Chairman

A Mohan Rao
Director

S T Prabhu
Company Secretary

Statement of profit and loss for the year ended

(All amounts are in Indian Rupees, unless otherwise stated)

A.	Continuing operations	Note	March 31, 2014	March 31, 2013
1	Income			
	a. Revenue from operations	16	13,783,235	15,412,713
	b. Other income	17	1,288,201	1,418,812
2	Total revenue		15,071,436	16,831,525
3	Expenses			
	a. Cost of services	18	3,229,415	5,613,516
	b. Changes in digital inventory (increase)/decrease	19	-	-
	c. Employee benefit expenses	20	5,534,199	7,718,032
	d. Other expenses	21	12,065,596	12,931,828
4	Total expenses		20,829,210	26,263,376
	Earning before interest, tax, depreciation ,amortisation and exceptional items (EBITDA) (1- 4)		(5,757,774)	(9,431,851)
5	Depreciation & amortisation	10	39,790,132	51,731,639
	Less: recoupment from revaluation reserve		58,466	58,466
	Net depreciation & amortisation		39,731,666	51,673,173
6	Finance cost	22	21,871,257	24,319,193
7	Add: Exceptional items (income)	23	-	(20,000,000)
8	Profit/(loss) before tax		(67,360,697)	(65,424,217)
9	Tax expenses			
	Current tax		-	-
	Defered tax		-	-
	Total tax expenses		-	-
10	Profit/(loss) for the year from continuing operations (A)		(67,360,697)	(65,424,217)
	B. Discontinued operations	24		
	Profit/(loss) before tax from discontinued operations		-	-
	Tax expenses of discontinued operations		-	-
	Profit/(Loss) after tax from discontinued operations (B)		-	-
	Profit/(Loss) for the period (A + B)		(67,360,697)	(65,424,217)
	Earning per equity share (nominal value of share Rs.10 (31st March 2013 Rs.10)			
	Basic			
	Computed on the basis of profit / (loss) from continuing operations		(6.10)	(5.93)
	Computed on the basis after excluding exceptional items		(6.10)	(7.73)
	Computed on the basis of total profit / (loss) for the year		(6.10)	(5.93)
	Diluted			
	Computed on the basis of profit / (loss) from continuing operations		(6.10)	(5.93)
	Computed on the basis after excluding exceptional items		(6.10)	(7.73)
	Computed on the basis of total profit / (loss) for the year		(6.10)	(5.93)

Statement of Significant Accounting Policies, practices and Notes to Accounts 1-24

The notes form an integral part of these financial statements.

This is the profit & loss statement referred to in our report of even date

Varma and Varma
Firm registration No. 45325
Chartered Accountants

P R Prasanna Varma F.C.A
Membership no: 25854
Partner

Place: Chennai
Date: 23rd May 2014

For and on behalf of the board of directors

N R Panicker
Chairman

A Mohan Rao
Director

ST Prabhu
Company Secretary

Cash flow statement for the year ended

(All amounts are in Indian Rupees, unless otherwise stated)

Cash flow statement for the year ended	31-Mar-14	31-Mar-13
Cash flow from operating activities		
Profit before tax from continuing operations	(67,360,697)	(65,424,217)
Profit before tax from discontinuing operations	-	-
Profit before tax	(67,360,697)	(65,424,217)
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/ amortization on continuing operation	39,731,652	51,673,173
Impairment/ other write off on tangible/ intangible assets pertaining to continuing operation	2,221,206	-
Interest expense	21,871,257	24,319,193
Interest (income)	(73,220)	(8,745)
Dividend (income)	-	-
Operating profit before working capital changes	(3,609,802)	10,559,404
Movements in working capital :		
Increase/ (decrease) in trade payables	4,837,270	(31,391)
Increase / (decrease) in long-term provisions	(248,683)	(434,363)
Increase / (decrease) in short-term provisions	-	(620,685)
Increase/ (decrease) in other current liabilities	(59,995,493)	15,690,233
Decrease / (increase) in trade receivables	(5,605,318)	2,320,140
Decrease / (increase) in long-term loans and advances	6,389,892	(5,050,576)
Decrease / (increase) in short-term loans and advances	1,325,079	12,487,797
Decrease / (increase) in other current assets	(324,473)	(1,502,534)
Cash generated from / (used in) operations	(57,231,528)	33,418,025
Direct taxes paid (net of refunds)	-	-
Net cash flow from/ (used in) operating activities (A)	(57,231,528)	33,418,025
Cash flows from investing activities		
Purchase of fixed assets, including CWIP and capital advances	(8,178,743)	(959,952)
Proceeds of non-current investments	-	48,231
Interest received	73,220	8,745
Net cash flow from/ (used in) investing activities (B)	(8,105,523)	(902,977)
Cash flows from financing activities		
Proceeds from issuance of equity share capital (Preference Share Capital)	50,000,000	-
Repayment of long-term borrowings	61,579,181	(11,789,159)
Repayment of short-term borrowings	(25,411,697)	384,838
Interest paid	(21,871,257)	(24,319,193)
Net cash flow from/ (used in) in financing activities (C)	64,296,227	(35,723,514)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(1,040,824)	(3,208,466)
Cash and cash equivalents at the beginning of the year	1,329,675	4,538,140
Cash and cash equivalents at the end of the year	288,852	1,329,675

Components of cash and cash equivalents

Cash on hand	1,085	160
With banks- on current account	185,770	32,591
- on deposit account	-	1,126,018
- unpaid dividend accounts	101,997	170,906
Total cash and cash equivalents	288,852	1,329,675

Notes:

- 1) Cash and Cash Equivalents include Cash in Hand & remittances in transit, Balance with Banks on current Accounts and Deposit Accounts.
- 2) The above Cashflow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard on Cash Flow Statement [As-3] issued by the Institute of Chartered Accountants of India.
- 3) Previous year figures have been rearranged/regrouped wherever necessary.
- 4) This is the Cashflow Statement referred to in our report of even date.

Varma and Varma
Firm registration No. 45325
Chartered Accountants

For and on behalf of the board of directors

P R Prasanna Varma F.C.A
Membership no: 25854
Partner

N R Panicker
Chairman

A Mohan Rao
Director

Place: Chennai
Date: 23rd May 2014

ST Prabhu
Company Secretary

Company Information:

Accel Transmatic Limited (the company) is a public limited company domiciled in India and is listed in the Bombay stock exchange (BSE). The company presently offers animation services from its studios in Chennai and Trivandrum.

estimates are recognized in the period in which the results are known / materialized.

Note : 01: Statement of significant accounting policies and practices**1.1 Basis of preparation**

These financial statements have been prepared to comply in all material respects with the applicable accounting principles in India, the applicable accounting standards notified under Section 211 (3C) and the other provisions of the Companies Act 1956. The Financial Statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the company and except as disclosed, are consistent with those used during the previous year.

1.3 Revenue recognition:**(i) Animation services**

In respect of Animation services for third parties, income is recognized based on milestone achieved as specified in the contracts. In case of own production of Animated content income is recognized on sale / licensing of such products. Share of surplus from co production ventures is recognized as and when the same accrues after recoupment of the production cost in full as per the terms of the agreement.

(ii) Rental income

Revenue from renting out of moveable and immoveable properties are recognized on accrual basis.

1.4 Fixed assets and depreciation:**Fixed assets:****(i) Tangible assets**

Fixed assets are stated at cost or at replacement cost, in case of revaluation, less accumulated depreciation and impairment, if any, in the value of the assets. Cost of fixed assets includes all incidental expenses and interest cost on borrowings where applicable, attributable to the acquisition of assets, up to the date of commissioning of the assets.

(ii) Leased assets

Fixed assets acquired on finance lease have been capitalized at lower of present value of minimum lease payments or fair value. These assets have been depreciated over the useful life of the asset as technically ascertained by the company.

1.2 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 of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and

(iii) Intangible assets

Intangible assets in the nature of software licenses are stated at cost and are amortized over the estimated useful life of one to five years, using straight line method as technically assessed.

Intangible assets in the nature of digital assets are capitalized as and when it is completed and ready for commercialization and amortized over a period of revenue earning potential as estimated by the management. Cost of own / co production of animation products and not ready for commercialization as at the year end is carried forward as capital work in progress in the balance sheet as at the year end, if the management is convinced of the commercial viability of the same. Development expenses of animation products that are not considered to be commercially viable are expensed.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(iv) Depreciation / amortization

Depreciation on fixed assets is provided for from the date the asset is ready to be put to use, under straight-line method in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956, except in case of computer software for which life is technically ascertained by the management as five years and the depreciation is charged at the rate of 20%. The rates of depreciation and amortization are as follows:

Asset	Rate of depreciation / amortization (%)
Buildings	3.34
Plant and equipment	4.75
Office equipment	4.75
Furniture and fixtures	6.33
Computer hardware	16.21
Computer software	20.00
Vehicles	9.50
Intangibles – Digital Assets	25.00
Lease hold improvements / Licenses / studio materials	Over the lower of estimated useful lives of the assets or the primary period of the lease.

Fixed assets individually costing Rs 5,000 or less are fully depreciated on purchase during the relevant year. Assets installed in leased premises are amortized over the lease period of the premises. Digital assets (Intangible) are amortized over the estimated life (revenue earning potential) of such assets under written down value method.

1.5 Employee Benefits:**i) Defined contribution plan:****Provident fund / Employee State Insurance Scheme**

Contribution to Provident fund scheme and Employee State Insurance Scheme are charged to Profit and Loss account in the year of contribution. There are no other obligations other than such contribution payable to the respective fund/ scheme.

ii) Defined benefit plan:**Gratuity**

Gratuity has been covered under group gratuity cum assurance scheme of Life Insurance Corporation of India. Accrued liability for gratuity as at the balance sheet date is ascertained on actuarial basis using projected unit credit method and balance in excess of fair value of the plan assets as at the yearend is duly provided for.

iii) Compensated absences

Short term compensated absences are provided for based on estimates at gross undiscounted values. Long term compensated absences are provided for based on actuarial valuation.

1.6 Provision for taxes:

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current taxes and liabilities are offset where there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax is recognized on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. In respect of undertakings the income of which is exempt under section 10B of the Income Tax Act, 1961, deferred tax liability on account of timing differences arising but getting reversed during the tax holiday period has not been recognized.

Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and where deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing laws and same taxable entity.

1.7 Accounting for provisions, contingent liabilities and contingent assets:

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are

not discounted to their present value and are determined based on the management estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed by way of notes to the Balance Sheet. Provision is made in the accounts in respect of those liabilities which are likely to materialize after the yearend, till the finalization of accounts and have material effect on the position stated in the Balance sheet.

Contingent assets are not recognized in the financial statements as a matter of prudence.

1.8 Borrowing costs

Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of such assets. All other borrowing costs are charged to revenue, during the period in which they are incurred. Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

1.9 Impairment of tangible and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of seven years.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously

recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase

1.10 Investments

Investments that are readily realizable and intended to be held for not more than a year, if any are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. Provision is made where there is a fall in value of such long-term investments, which are other than temporary in nature. Investments outside India in subsidiary companies are carried in the Balance Sheet at historical cost.

1.11 Cash Flow statement

Cash flows from operating activities are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

1.12 Inventories

a) Cost of production representing overheads incurred for Animation contract services is carried over as work in progress in the Balance Sheet as at the year end.

1.13 Foreign currency transactions

i. Initial recognition – foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency approximately at the date of the transaction.

ii. Conversion – Foreign currency monetary items are reported using the closing rate at the yearend. Non monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

iii. Exchange differences – exchange differences arising on the settlement or conversion of monetary items are recognized as income or as expenses in the period in which they arise.

1.14 Earnings Per Share

The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity shares.

2.0 Notes to accounts

Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

Note : 03 Share Capital

	As at 31.03.2014	As at 31.03.2013
Authorized Share Capital		
15000000 (19750000)Equity Share of Rs. 10 each	150,000,000	197,500,000
5000000 (250000 12% Cumulative Redeemable Preference shares of Rs. 10/- each	50,000,000	2,500,000
	200,000,000	200,000,000
Issued, Subscribed and Paid up Capital		
11037401 (11037401) Equity Shares of Rs.10/- each Fully Paid up	110,374,010	110,374,010
5000000 (Nil) 1Preferential Capital of Rs.10/- each fully paid up	50,000,000	
	160,374,010	110,374,010

3.1 Reconciliation of Shares outstanding at beginning and end of the period

Equity Shares	31.03.2014		31.03.2013	
	Number	Rs	Number	Rs
At the beginning of the period	11037401	110,374,010	11037401	110,374,010
Issued During the period	Nil		Nil	
Outstanding at the end of the period	11037401	110,374,010	11037401	110,374,010

3.2 Shares Held By Holding Company

	Rs 31.03.2014	Rs 31.03.2013
Accel Limited- The Holding Company		
56,30,000 equity shares of Rs. 10/- each fully paid up	56,300,000	56,300,000

3.3 Details of Shareholders Holding more than 5% shares in the Company

	31.03.2014		31.03.2013	
	Number	% Holding in the class	Number	% Holding in the class
Accel Limited- The Holding Company	5,630,000	51.01	5,630,000	51.01
N. R. Panicker	625,986	5.67	525,986	4.77
Equity Share of Rs. 10 each each fully paid				

3.4 Preference Shares

	31.03.2014		31.03.2013	
	Number	Rs	Number	Rs
At the beginning of the period	Nil		Nil	
Issued During the period	5,000,000	50,000,000	Nil	
Outstanding at the end of the period	5,000,000	50,000,000	Nil	

3.5 Shares Held By Holding Company

	Rs 31.03.2014	Rs 31.03.2013
Accel Limited- The Holding Company		
5,000,000 (Nil) Preference shares of Rs. 10/- each fully paid up	50,000,000	Nil

Details of Shareholders Holding more than 5% shares in the Company

	31.03.2014		31.03.2013	
	Number	% Holding in the class	Number	% Holding in the class
Accel Limited- The Holding Company	5,000,000	100.00	Nil	Nil
Preference Share of Rs. 10 each each fully paid				

3.6 Rights, preferences and restrictions attached to shares

Equity shares

The company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

Preference Shares

The company had issued 5,000,000 10% Cumulative Redeemable Preference Shares to the promoter company Accel Limited, With a face value of Rs. 10/- aggregating to Rs.50,000,000/- on 27-09-2013 against loan amount outstanding due to that Company as on that day. The Issue was approved by the share holders in the AGM held on August 14, 2013. The shares are redeemable after 7 years after the date of issue.

Note 04 : Reserves & surplus

	As at March 31, 2014	As at March 31, 2013
Capital reserve		
Balance as per the last financial statements	14,363,750	10,197,500
add: warrant application money forfeited	-	4,166,250
	14,363,750	14,363,750
Revaluation Reserve	12,105,180	12,163,646
Less: Additional Depreciation On Revaluation	(58,466)	(58,466)
	12,046,714	12,105,180
Capital Redemption Reserve	2,100,000	2,100,000
Closing Balance	28,510,464	28,568,930
Surplus / (Deficit) in Statement of Profit and Loss		
Balance as per the last financial statements	(153,549,976)	(88,125,759)
Add: Profit / (Loss) for the period	(67,360,697)	(65,424,217)
	(220,910,673)	(153,549,976)
	(192,400,209)	(124,981,035)

4.1 Going concern

The company has suffered cash losses from its operations during the year. The accumulated losses as on the date of the balance sheet is more than 50% of its net worth. However, considering the expected future cash flows from the business and the intellectual property that the company is currently exploiting through global sales, the management is of the opinion that the company would be in a position to continue as a going concern and hence the accounts have been drawn up on such basis.

Note 05 : Long term borrowings

	Non - Current portion		Current Maturities	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	Rs	Rs	Rs	Rs
Term loans from banks (in INR)				
Secured (See Note " 5.1 " below)	55,804,304	-	1,200,000	36,270,516
Other loans and advances				
From related parties	93,337,630	83,802,753	6,536,771	16,200,000
Deposits from public	-	1,360,000	-	5,850,000
	149,141,934	85,162,753	7,736,771	58,320,516

Maximum amounts due on the loans taken from related parties at any time during the year

	As at	As at
	31.03.2014	31.03.2013
Accel Limited	93,503,084	38,620,028
Accel Frontline Limited	79,183,320	61,382,725

5.1. Details of Security : The Asset Backed Loan (ABL) from bank is secured by equitable mortgage of Companies immovable properties and corporate guarantee of its holding company M/s Accel Limited and personal guarantee of Mr N R Panicker, Promoter Director.

5.2 Terms of repayment: loans from related party carry an interest of 7.50% for the holding company and 13.75% for other associate companies and are repayable as per the loan agreement. ABL from bank carries interest @ 12.85% p.a and the amount outstanding as on the date of balance sheet is repayable in montly installment over the next 83 months form the date of sanction .

Note 06 : Long term Provisions

	As at	As at
	31.03.2014	31.03.2013
Gratuity	581,220	801,299
Leave Encashment	185,204	213,808
	766,424	1,015,107

a) Disclosure required under AS15 – "Employee Benefits" (Revised 2005)**1. Defined Contribution Plan**

During the year, the company has recognized in the Profit and Loss Account, an amount of Rs. 1,84,660 (Previous Year Rs. 286,959) on account of defined contribution towards Provident Fund and Rs. (Previous Year 35,371) towards Employees State Insurance Scheme.

2. Defined Benefit Plans

Gratuity – Funded Obligation

I	Actuarial Assumption	31.03.14	31.03.13
	Discount Rate (per annum)	8%	8%
	Salary escalation rate	5%	5%
	Expected average remaining lives of working employees (year)	24	22.53

The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

II	Reconciliation of present value of obligations	Rs.	Rs.
	Present Value of Obligation at beginning of the year	801,229	1,811,226
	Current Services Cost	112,434	173,738
	Interest Cost	68,596	151,848
	Actuarial (gain)/loss	401,109	1,335,583
	Benefits Paid		-
	Present value of obligation at the end of the year	581,150	801,229
III	Net (Asset) / Liability recognized in the Balance Sheet as at year end	Rs.	Rs.
	Present value of obligations at the end of the year	299,973	299,973
	Net Present value of unfunded obligation recognized as (asset) / liability in the Balance Sheet	281,177	501,256
IV	Expenses recognized in the Profit and Loss Account	Rs.	Rs.
	Current Service Cost	112,434	173,738
	Interest Cost	68,596	151,848
	Actuarial (gain) / loss recognized in the period	(401,109)	(1,357,803)
	Settlement Cost / (Credit)		-
	Past Service Cost		-
	Total expenses recognized in the Profit and Loss Account for the year	(220,079)	(1,032,217)

Note: The above disclosures and the break up of liability into long term and short term are based on valuation report of an independent actuary and relied upon by the auditors.

3. Long Term Employee benefits

Compensated absences (Leave encashment) – Unfunded Obligation

I	Actuarial Assumption	31.03.14	31.03.13
	Discount Rate (per annum)	8%	8%
	Salary escalation rate	5%	5%
	Expected average remaining lives of working employees (year)	24	23

The assumption of future salary increases takes into account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

II	Reconciliation of present value of obligations	Rs.	Rs.
	Present Value of Obligation at beginning of the year	213,808	536,682
	Current Services Cost	142,360	217,358
	Interest Cost	22,799	51,269
	Actuarial (gain)/loss	(193,763)	(591,861)
	Benefits Paid	-	-
	Present value of obligation at the end of the year	185,204	213,808

iii	Net (Asset) / Liability recognized in the Balance Sheet as at year end	Rs.	Rs.
	Present value of obligations at the end of the year	185,204	213,808
	Net Present value of unfunded obligation recognized as (asset) / liability in the Balance Sheet	185,204	213,808

IV	Expenses recognized in the Profit and Loss Account	Rs.	Rs.
	Current Service Cost	142,360	217,358
	Interest Cost	22,799	51,269
	Actuarial (gain) / loss recognized in the period	(193,763)	(591,861)
	Settlement Cost / (Credit)	-	-
	Past Service Cost	-	-
	Total expenses recognized in the Profit and Loss Account for the year	(28,604)	(322,874)

Note: The above disclosures and the break up of liability into long term and short term are based on valuation report of an independent actuary and relied upon by the auditors.

Note 07: Short term borrowings (secured)

	As at	As at
	31.03.2014	31.03.2013
a. Cash Credit from The State Bank Of India	-	10,176,559
b. Pre Shipment Finance From State Bank Of India	-	15,235,138
	-	25,411,697

The Cash Credit limits, Term Loan Limits and Non Funded Limits (The Limits) are secured by hypothecation of Intellectual property rights, receivables and hypothecation of assets created out of bank finance and carries interest @ 17.50% p.a and are repayable on demand.

The Limits are also secured by equitable mortgage of company's immovable properties at Trivandrum & Chennai

The limits are further secured by assignment of lease deposit in favour of the bank in respect of leased property at Trivandrum. The loans are also secured by a corporate guarantee of Accel Limited and pledge of 7,50,000 equity shares of Accel Transmatic Limited held by Accel Limited, the holding company. Also refer note 5.3

The above loans were closed on 24-01-2014 after availing an Asset Backed Loan (ABL) (Refer Note 5.1 above)

Note 08 : Trade Payables

	As at	As at
	31.03.2014	31.03.2013
Sundry Creditors (See Note Below)		
For Goods / Service / Others	2,787,515	858,002
Expenses payable	15,604,626	12,696,869
	18,392,141	13,554,871

8.1 Dues to Micro, Small Enterprises

The company has initiated the process of identifying the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Since no intimation has been received from the suppliers regarding their status under the said Act as at 31st March 2014, disclosures relating to amounts unpaid as at the year end, if any, have not been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

Note 9: Other Current Liabilities

	As at	As at
	31.03.2014	31.03.2013
a. Other Payables		
(i) Statutory remittances	5,186,085	7,647,388
(ii) unclaimed dividend (refer note ii below)	101,997	170,907
iii) Advances received (refer note i below)	16,246,726	23,907,706
(iii) Dues towards fixed asset purchases	-	1,620,555
(iv) Current Maturity in Long Term Borrowings (See Note No.5)	7,736,771	58,320,516
	29,271,579	91,667,072

Note :

- i Advances received includes Security deposit including interest accrued received from an associate company amounting to Rs. 16,246,726 (P.Y 23,771,806) .
- ii Unclaimed dividend will be transferred to the Investor Protection and Education Fund if remains unclaimed, in the year 2014-15.

Note 10: Fixed assets

10.1 Tangible assets

Sl. No.	Particulars	Gross Block Stated at Cost				Depreciation				Net Block					
		Cost as on 01.04.2013		Total as on 31.03.2014		Upto 01.04.2013		For the Year		Upto 31.03.2014		As on 31.03.2014		As on 31.03.2013	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
1	Land (Pl. see note: 10.5)	19,040,479		19,040,479									19,040,479		19,040,479
2	Factory building (Pl See note 10.4)	5,858,330		5,858,330	2,511,140	195,668	2,511,140	195,668	2,706,808		3,151,522		3,347,190		3,347,190
3	Plant and equipment	17,224,704		17,224,704	14,248,441	2,182,825	14,248,441	2,182,825	16,431,266		793,438		2,976,263		2,976,263
4	Furnitures and fixtures	16,575,442		16,575,442	10,150,219	1,097,593	10,150,219	1,097,593	11,247,812		5,327,630		6,425,223		6,425,223
5	Vehicle	2,133,358		2,133,358	1,602,379	204,312	1,602,379	204,312	1,806,691		326,667		530,979		530,979
6	Office equipments	2,182,090		2,182,090	417,474	35,901	417,474	35,901	453,375		1,728,715		1,764,616		1,764,616
7	Electrical fittings	11,014,299		11,014,299	5,494,859	519,446	5,494,859	519,446	6,014,305		4,999,994		5,519,440		5,519,440
8	Computers & computer software	70,421,568		70,421,568	56,748,216	9,179,543	56,748,216	9,179,543	65,927,759		4,493,809		13,673,352		13,673,352
	TOTAL (A)	144,450,270		144,450,270	91,172,728	13,415,288	91,172,728	13,415,288	104,588,016		39,862,254		53,277,542		53,277,542
	Previous year	144,437,678		144,450,270	74,652,972	16,519,756	74,652,972	16,519,756	-		53,277,542		69,784,707		69,784,707

10.2 Intangible assets

Sl. No.	Particulars	Gross Block Stated at Cost				Amortization				Net Block					
		Cost as on 01.04.2013		Total as on 31.03.2014		Upto 01.04.2013		For the Year		Upto 31.03.2014		As on 31.03.2014		As on 31.03.2013	
		Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.	Rs.	Ps.
1	Software Lisences	15,851,424		22,242,321	14,038,589	1,908,436	14,038,589	1,908,436	15,947,025		6,295,296		1,812,835		1,812,835
2	Intangible Assets - Intellectual Property Rights	176,944,876		176,944,876	79,151,781	24,466,408	79,151,781	24,466,408	103,618,189		73,326,687		97,793,095		97,793,095
	TOTAL (B)	192,796,300		199,187,197	93,190,370	26,374,844	93,190,370	26,374,844	-		79,621,983		99,605,930		99,605,930
	Previous year	192,796,300		192,796,300	57,978,488	35,211,883	57,978,488	35,211,883	-		99,605,929		134,817,812		134,817,812

10.3 Capital Work In Progress

Amount in Rs.

Particulars	as at 31.03.2014	as at 31.03.2013
Balance as at the beginning of the period	947,360	-
Additions during the period	514,000	947,360
Transferred to revenue expenditure	947,360	-
Balance as at the end of the period	514,000	947,360

10.4 Revaluation

The company has revalued its land and buildings at Trivandrum during the year ended 31.03.2004, at the fair values determined by an independent external valuer. The valuer determined the fair value by reference to market-based evidence.

The revaluation resulted in an increase in the value of freehold land and building by Rs. 1,09,39,354 and Rs.17,50,486, respectively. The revaluation of the building results an additional depreciation charge of Rs.58,466 every year. In accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the company recoups such additional depreciation out of revaluation reserve.

10.5 Lease Hold Land

Land under Fixed Assets includes Rs.67.60 lacs being the value of land allotted and possession handed over by KINFRA Film & Video Park (KINFRA), a Government of Kerala Undertaking to the Company for construction of building to house its operations for which the registration formalities are yet to be completed. As per

the agreement with "the party", the said land is on a 90 year lease and has to be developed within a period of 3 years from the date of allotment i.e. on or before 05.04.2010. The said land could not be developed within the time frame agreed on account of the difficult scenario being faced by the Animation Industry in general and the company in particular. KINFRA, in the meantime has changed the status of the SEZ from Animation to include IT/ITES also. This has been approved by the Ministry of Industries & Commerce vide its letter dated 7th February 2012. The company's proposal to KINFRA to change our status to a co developer is still pending.

10.6 Fixed assets , capital work in progress & Inventory of intangible assets

The animation division of the company is engaged in the development of Animation contents, which can be under a service / co production contract or for creating its own IPR. The cumulative expenses incurred under co production and IPR creation activities are carried forward under capital work-in-progress, till the assets are ready for commercial exploitation. The expenses incurred under service contracts are carried forward as work in progress inventories till the milestone billing are achieved. The following amounts are carried forward in the Accounts as at the year end:-

1. Under Fixed Assets & Capital work in progress (net of amortization)
Rs.74,788,047 (Previous year Rs. 98,792,490)

10.7 Impairment of Assets

In the opinion of the management there is no impairment as on the date of the balance sheet in the value of the carrying cost of fixed assets of the company within the meaning of Accounting Standard – 28 on Impairment of Assets issued under Companies (Accounting Standards) Rules 2006, considering the revenue earning potential of the company and based on the estimated future cash flows upon crystallization of enquiries received b the company for the intellectual property rights carried in the books as intangible assets.

Note 11: Investments

Unquoted (Trade) at cost	As at 31.03.2014	As at 31.03.2013
In Others		
Quoted [Non-Trade] at cost		
Pittsburgh Iron and Steels Ltd (Formerly S & Y Mills Limited)	2,165	2,165
[500 (500) Equity Shares of Rs.10/- each fully paid up]		
	2,165	2,165

	Book Value as at		Market Value as at	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Quoted	2,165	2,165	NA	NA

12. Inventories

Amount in Rs.

Particulars	as at 31.03.2014	as at 31.03.2013
Working Progress	-	-

Note 13: Trade Receivables

	Non - Current portion		Current Maturities	
	As at 31.03.2014	As at 31.03.2013	As at 31.03.2014	As at 31.03.2013
(Unsecured Considered Good)				
Outstanding for more than 6 months	30,843,400	24,434,700	8,593,630	9,420,808
Less: Provision	-	-	(8,593,630)	(8,593,630)
	30,843,400	24,434,700	0	827,178
(Others)				
Outstanding for less than 6 months			1,171,397	1,147,600
Less: Provision	-	-		
	-	24,434,700	1,171,397	-
	30,843,400	24,434,700	1,171,397	1,147,600

The confirmation of balances from concerned parties in respect of major accounts of sundry debtors, other receivables, loans and advances and sundry creditors outstanding as at the year-end is yet to be received. This also includes the revenue entitlement on the international recoupment on one of its co production work completed.

Note 14 : Cash and Bank balances

	As at 31.03.2014	As at 31.03.2013
Current Portion		
a. Cash on hand	1,085	160
b. Balances with banks		
(i) In current accounts	185,770	32,591
	186,855	32,751
Other Bank Balances (Non Current Portion)		
Under Other Non Current Asset		
(i) In unpaid Dividend account	101,997	170,906
(ii) Margin Money (Liquid Deposit against Public Deposit)	-	1,126,018
	101,997	1,296,924
	288,852	1,329,676

Note 15 (a): Long term loans and advances

	As at 31.03.2014	As at 31.03.2013
(Unsecured Considered Good)		
(a) Security deposits	3,510,909	3,509,904
(b) Advance for capital purchases	-	6,390,897
	3,510,909	9,900,801

Note 15 (b): Short term loans and advances

	As at 31.03.2014	As at 31.03.2013
(Unsecured Considered Good)		
(a) Loans and advances to employees	-	203,016
(b) Prepaid expenses	-	-
(c) Balances with government authorities	7,113,610	6,992,122
(d) Other advances	-	1,243,551
	7,113,610	8,438,689

Note 15 (c): Other current assets

	As at 31.03.2014	As at 31.03.2013
(a) Unbilled Revenue	2,617,309	2,292,836
	2,617,309	2,292,836

1) In the opinion of the Directors, the current assets, loans and advances have the value in which they are stated in the balance sheet, if realized in the ordinary course of business.

2) Unbilled revenue represents amount recognized based on services performed in advance of billing in accordance with contractual terms.

Note 16: Revenue from operations

	Year Ended 31.03.2014	Year Ended 31.03.2013
Software Services - Exports	8,557,761	4,156,952
Software Services - Domestic	1,480,000	5,350,000
Product Sales	-	-
	10,037,761	9,506,952
Other operating income		
Foreign Exchange Gain/Loss (Net)	3,745,474	720,785
Provision no longer required	-	5,184,976
	3,745,474	5,905,761
	13,783,235	15,412,713

Note 17: Other income

	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Income	73,220	8,745
Other Non Operating Income	1,214,981	1,410,067
	1,288,201	1,418,812

Note 18: Cost of services

	Year Ended 31.03.2014	Year Ended 31.03.2013
Subcontracting and outsourcing cost	3,229,415	5,613,516
	3,229,415	5,613,516

Note 19: Changes in inventory

	Year Ended 31.03.2014	Year Ended 31.03.2013
Closing stock of WIP and Finished Goods	-	-
Less : Opening stock of WIP and Finished Goods	-	-

Note 20: Employee benefit expenses

	Year Ended 31.03.2014	Year Ended 31.03.2013
Salaries & Wages	5,298,229	6,797,587
Contribution to Provident and other welfare funds	220,031	462,539
Staff Welfare Expenses	15,939	457,906
	5,534,199	7,718,032

Note 21: Other expenses

	Year Ended 31.03.2014	Year Ended 31.03.2013
Rent	5,053,488	5,263,488
Power and fuel	2,533,870	3,599,995
Insurance	1,433	194,495
Rates & taxes	199,372	245,563
Repair to building	22,005	-
Repair to machinery	155,422	258,655
Others	526,538	899,682
Travelling & conveyance	188,409	544,349
Printing and stationery	177,862	394,257
Postage, telegram & telephone	262,628	618,104
Consultancy charges	15,000	142,384
Payment to Auditors		
-as statutory audit fees	168,540	168,540
-as reimbursement of expenses	11,553	1,889
Miscellaneous expenses	346,255	250,052
Packing and forwarding charges	-	2,850
Bad debts/inventory written off	2,221,206	-
Marketing & distribution expenses	182,015	347,526
	12,065,596	12,931,828

Miscellaneous expenses include, directors sitting fees Rs 87,500. (PY87,500)

Note 22: Finance cost

	Year Ended 31.03.2014	Year Ended 31.03.2013
Interest Expenses		
On working Capital	5,004,047	4,761,614
On Term Loans	5,015,590	7,323,054
on other loans	11,298,595	9,635,507
Bank charges and commission	553,025	2,599,018
	21,871,257	24,319,193

Note 23 : Exceptional items

During the previous year , The Company sold its Technology division ('transferred division') along with its subsidiary in United States of America to Accel Frontline Limited, pursuant to a Business transfer agreement w.e.f. August 15th, 2011 on a slump sale basis for a cash consideration of Rs.19.97 crores. The transaction was approved by the Board of Directors on its meeting held on August 2nd, 2011.. The profit on sale of business of Rs. 1405.55 Lacs was credited to Profit and Loss account as exceptional item.

As per the terms of the BTA to transfer the Technology division to Accel Frontline Limited, the company received an additional amount of Rs. 2 Crores as incentive on achievement of an EBITDA of Rs. 5 crores for the twelve months ended 31st March 2012 as finalized by the audited accounts of the said division.

Capitalization of expenditure

During the previous year, the company has capitalized certain expenses to the cost of fixed asset classified under intangible assets/ capital work-in-progress (CWIP) being the expenses relating to development of such assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company. During the current year there is no such capitalization.

In Rupees.

	31 March 2014	31 March 2013
Salaries, wages and bonus	-	682,860
Operating expenses	-	264,500
Finance costs	-	-
	-	947,360

Earnings per share (Basic and diluted):

Particulars	31.03.2014	31.03.2013
Profit / (Loss) after taxation	(67,360,697)	(65,424,228)
Profit available to Equity Shareholders	(67,360,697)	(65,424,228)
Less: Exceptional Item	-	20,000,000
Profit Without Extra Ordinary Item	(67,360,697)	(85,424,228)
Weighted average number of equity shares	11,037,401	11,037,401
Basic earnings per share with Exceptional Item	(6.10)	(5.93)
Basic earnings per Share without Exceptional Item	(6.10)	(7.73)
Diluted earnings per share with Extraordinary Item	(6.10)	(5.93)
Diluted earnings per Share without Extraordinary Item	(6.10)	(7.73)
Total Nominal Value of Shares	11,03,74,010	11,03,74,010

Deferred Tax Asset (Net)

Particulars	Deferred tax Asset / (Liability) as on 31.03.2014	Deferred tax Asset / (Liability) as on 31.03.2013
Liability		
Difference between book and tax depreciation	1,967,986	193,943
Others	-	-
Total	1,967,986	193,943
Assets		
Carried forward Depreciation / business Loss	19,272,923	14,084,518
Others	66,921	345,035
Total	19,339,845	14,429,552
Net deferred Tax Asset / (Liability)	17,371,859	14,235,609

Taxation:

Provision for current tax is made on the basis of the assessable Income and /or Mat Provisions, at the tax rate applicable to the relevant assessment year. No tax provision is made under normal as well under MAT considering the brought forward losses of the company as a whole. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. The net Deferred Tax Asset at the yearend is not recognized as a matter of prudence.

Related Party Disclosures

Controlling Company – Accel Limited

Associates

Accel Frontline Limited
Accel IT Resources Limited

Key Management Personnel:

N R Panicker	Non Executive Chairman
K R Chandrasekaran	Executive Director
S T Prabhu	Company Secretary

Transactions

Particulars of Transactions with related parties	"Controlling Company"	"Companies under common control"	"Key management personnel"
Receiving of services / purchases	-	5,627,462	-
	-	-	(187,500)
Rent receipts	-	1,214,880	-
	-	(1,214,880)	-
Sale of Investments / business undertaking	-	-	-
	-	(20,000,000)	-
Interest paid	3,149,362	7,951,501	30,222
	(1,816,014)	(6,769,128)	(57,616)
Finance (including loans & Equity contributions in cash or in kind)	93,337,630	(6,536,771)	-
	(38,603,028)	(60,383,229)	(1,102,000)
Trade Payables	-	16,246,726	-
	-	(25,392,361)	-

Amounts in brackets represents previous year data.

Derivatives

Particulars	31.03.2014	31.03.2013
Category wise quantitative data about Derivative instruments outstanding at the Balance sheet date	Nil	Nil
Purpose of Hedging	Not Applicable	Not Applicable
Foreign Currency Exposure that are not hedged by a derivative Instrument or otherwise:	Nil	Nil
Due to creditors	US\$ Nil EUROS 285,956	US\$ Nil EUROS 285,956
Due from Debtors	JPY Nil	JPY Nil

Contingencies and commitments

(Rupees in Lacs)

	March 31, 2014	March 31, 2013
Outstanding bank guarantees / letter of Credits	1.10	1.10
Corporate Guarantee to a bank on behalf of an Associate Company	-	350.00
Income Tax Demands	136.11	136.11
Customs	33.87	33.87
PF & Others	21.07	21.07

Estimated amount of Contracts remaining to be executed on Capital account and not provided for (Net of Advances) is Rs. Nil Lacs (Previous year Rs.Nil Lacs)

It is not practicable for the company to estimate the timings of cash flows, if any, in respect of the above pending resolutions of the respective proceedings. The company does not expect any reimbursement from third parties in respect of the above contingent liability.

Additional Information pursuant to Part II of Schedule VI of the Companies Act, 1956, to the extent applicable.

(a) CIF Value of Imports

	March 31, 2014	March 31, 2013
Raw Material & Components	Nil	Nil
Capital goods	Nil	6,390,897

(b) Earnings in foreign currency - accruals

	March 31, 2014	March 31, 2013
Towards income from services	8,496,163	-

(c) Expenditure in foreign currency

	March 31, 2014	March 31, 2013
Services	-	-
Towards Foreign Travel	-	-

ACCEL TRANSMATIC LIMITED

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(d) Number of Non Resident Shareholders and dividends paid to them. (On payment basis)

Particulars	Number of Share Holders	Dividend Paid
Non Resident Shareholders	35	Nil

Previous year's figures have been regrouped , recasted and rearranged wherever necessary, to suit the current period layout.

Vide our report of even date.

Varma and Varma
Firm registration No. 4532S
Chartered Accountants

P R Prasanna Varma F.C.A
Membership no: 25854
Partner

Place: Chennai
Date: 23rd May 2014

For and on behalf of the board of directors

N R Panicker
Chairman

A Mohan Rao
Director

ST Prabhu
Company Secretary

ACCEL TRANSMATIC LIMITED

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Balance sheet abstract and company's general business profile

(All amounts are in Indian Rupees, unless otherwise stated)

I. Registration details

Registration number	09-4485
Balance Sheet date	March 31, 2014

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL
Bonus Issue	NIL
Preference Issue	5,000

Rights Issue	NIL
Share Application	NIL

Total Liabilities	345,763
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Total Assets	345,763
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Sources of funds

Paid up capital	160,374
Secured loans	57,004

Reserves and surplus	28,510
Unsecured loans	99,874

Application of funds

Net fixed assets	119,998
Net current assets	4,852
Accumulated Losses	220,911

Investments	2
Misc. expenditure	-
Deferred Tax Asset (Net)	-

IV Performance of company (Amount in Rs. Thousands)

Sources of funds

Turnover	15,071
Profit / (loss) before tax	(67,361)
Earnings per share in Rs.	(6.10)

Total expenditure	82,432
Profit / (loss) after tax	(67,361)
Dividend as %	Nil

V Generic names of three principal products / services of company (as per monetary terms)

Item code no (ITC code)	Product description
	Animation Services

Accel Transmatic Limited

CIN:L30007KL1986PLC004485

75, Nelson Manickam Road, Aminjikarai, Chennai- 600029

Telephone: 044-4225000, fax- 0414-23741271

Website: www.accelfrontline.in

Folio No./DP ID/ Client ID No.	
No. of Shares Held	

ATTENDANCE SLIP

I/We record my/our presence at the Annual General Meeting of the Company at at KUMAGAI AUDITORIUM, ABK – AOTS DOSOKAI,3rd Floor, Chateau 'D' Ampa, 37 Nelson Manickam Road,Aminjikarai, Chennai 600 029 on Monday, 29th September , 2014 at 11.30 a.m.

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
Folio No.	DP ID	CLIENT ID	
NAME OF THE MEMBER / JOINT MEMBER(S) (IN BLOCK CAPITALS):			

NOTE: You are requested to sign and handover this slip at the entrance of the meeting venue.

SIGNATURE OF THE MEMBER/
JOINT MEMBER(S) / PROXY

Accel Transmatic Limited

CIN:L30007KL1986PLC004485

75, Nelson Manickam Road, Aminjikarai, Chennai- 600029

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19(3) of the Companies (Management and Administration)Rules, 2014)

Name of the member (s) :

Registered Address :

Email Id :..... Folio No./Client Id :..... DP ID.....

I/We, being the member(s) holdingshares of the above named Company, hereby appoint

1. Name and Address :

E.mail ID:.....Signature:..... or failing him

2. Name and Address :

E.mail ID:.....Signature:..... or failing him

3. Name and Address :

E.mail ID:.....Signature:..... as my/our

proxy to attend and vote(on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on the 29th September 2014 at 11.30 A.M at KUMAGAI AUDITORIUM, ABK – AOTS DOSOKAI,3rd Floor, Chateau 'D' Ampa, 37 Nelson Manickam Road,Aminjikarai, Chennai 600 029 and at any adjournment thereof in respect of such resolutions as are indicated below:

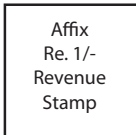
Ordinary Business

1. Adoption of Financial statements for the year ended 31st March 2014 and the Directors report and Auditors report thereon.
2. To consider Mr. Mohan Rao (DIN : 00038214), a Director liable to retire by rotation, who does not seek re-election, is not reappointed a Director of the Company.
3. To appoint Mr. N R Panicker (DIN : 00236198) as a director liable to retire by rotation.
4. To appoint Mr Gopalakrishnan Nair (DIN : 02420937) as a director who was appointed as additional director w.e.f 14-01-2014
5. To appoint Mr K R Chandrasekaran (DIN : 00212855) as a director who was appointed as additional director w.e.f 21-02-2014.
6. To reappoint Mr K R Chandrasekaran as a Executive Director cum Chief Financial Officer.
7. To appoint Mr C K Kerala Varma (DIN : 06949901) as a director who was appointed as additional director w.e.f 14-08-2014.
8. Reappointment of M/s Varma & Varma, Chartered Accountants, as Auditors
9. To adopt new Articles of Association of the company

Special Business

10. To consider alteration of Authorised Capital of the company
11. To consider issue of Preference shares

Signed this.....day of2014



Signature of shareholder

Signature of Proxy holder(s)

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.

ACCEL TRANSMATIC LTD

Registered Office

"Accel House", 75 Nelson Manickam Road

Aminjikarai, Chennai 600 029

Phone:+91 44 44 4225 2200

E Mail : info@acceltransmatic.com

Website : www.acceltransmatic.com

CIN : L3007KL1986PLC004485