

**Annexure to Form A dated 06.12.2016**

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

**Quote:**

- (i) We draw attention to Note 9.7. As stated therein, the management expects the value in use, based on estimated future cash flows, for the Intellectual Property rights amounting to Rs.41,214,527/- carried in the books as Intangible Asset to be not less than its carrying amount. Hence, no adjustment for impairment is made in the books of account. The pattern/ quantum of the cash flows would, however, depend upon crystallization of enquiries received by the company.
- (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 yearend exceeds the Current Assets by Rs.7,919,122/-. This, read with the matters stated in para (i) above, raises serious doubt about the ability of the Company to continue as a going concern.
- (iii) Attention is invited to Note No.23.9. As stated therein, the proposal of merger of the holding Company with the Company w.e.f. 1<sup>st</sup> April 2014 (Appointed Date) is pending before the Stock Exchange, and hence no adjustments have been made in the Accounts towards the same.

Our opinion is not modified in respect of the above matters.

**Un - Quote:**

The Board of Directors would like to clarify as below regarding "emphasis of matter" expressed by the auditors in their report annexed along 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 monetizing 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 amount 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, the promoters have proposed to merge the holding company M/s. Accel Limited with the company under a scheme of arrangement of amalgamation, which is pending before the honorable High Court of Chennai.



3. The company is taking adequate steps to liquidate certain real estate assets owned by the company to reduce the bank liabilities.
4. The management is committed to grow the media business and also venture into new business and is confident of carrying on the business on a going concern 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 months and hence long term in nature. As on date, the installment and interest has been paid. The long term assets were acquired / developed out of funds infused by the promoter companies.
6. The management is confident that it will be able to realize 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.



N.R. PANICKER  
CHAIRMAN



SHOBA GIRIDHARAN  
COMPANY SECRETARY



\* C.K. KERALA VARMA  
AUDIT COMMITTEE CHAIRMAN



# **30th Annual Report 2015 - 2016**

## **ACCEL TRANSMATIC LIMITED**

CIN :L30007TN1986PLC100219

III Floor, SFI COMPLEX

177 Valluvar Kottam High Road

Nungambakkam, Chennai – 600 034

Telephone: 044-28222262

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[www.acceltransmatic.com](http://www.acceltransmatic.com)

**ACCEL TRANSMATIC LIMITED**

# ACCEL TRANSMATIC LIMITED

## \*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 managements’ 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 realised. 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.

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. N.R. Panicker**

Chairman & Managing Director

**Mr. K.R.Chandrasekaran**

Director

**Mr. N. Gopalakrishnan Nair**

Independent Director

**Mr. C.K. Kerala Varma**

Independent Director

**Ms. Shruthi Panicker**

Director

**Dr. C.N. Ramchand**

Additional Director (w.e.f. 10.11.2016)

**Dr. M. Ayyappan**

Additional Director (w.e.f.10.11.2016)

### BOARD COMMITTEES

**AUDIT COMMITTEE**

Mr. C.K. Kerala Varma

Mr. N. Gopalakrishnan Nair

Mr. K.R.Chandrasekaran

**NOMINATION AND  
REMUNERATION COMMITTEE**

Mr. N. Gopalakrishnan Nair

Mr. C.K. Kerala Varma

Mr. K.R.Chandrasekaran

**STAKEHOLDERS' RELATIONSHIP  
COMMITTEE**

Mr. K.R.Chandrasekaran

Mr. N.R. Panicker

Mr. C.K. Kerala Varma

**COMPANY SECRETARY**

Ms. Shoba Giridharan

**LEGAL ADVISORS**

M/s. Ramasubramaniam & Associates

6/1, Bishop Wallers Avenue (West)

Mylapore, Chennai 600 004

**SECRETARIAL AUDITOR**

Mr. S.T. Prabhu

Practising Company Secretary

Royal Arcade, 1132-B, I Block,

Anna Nagar (West), Chennai 600 040

### STATUTORY AUDITORS

**M/s. Varma & Varma**

106, "Sreela Terrace"

First Main Road, Gandhi Nagar

Adayar, Chennai 600 020

**INTERNAL AUDITORS**

M/s. Vijayakumar & Easwaran

Chartered Accountants

Sasthamangalam

Trivandrum 695 010

**PRINCIPAL BANKERS**

M/s. State Bank of India, Trivandrum

M/s. The Federal Bank Ltd, Chennai

**REGISTERED OFFICE**

"Accel House" 3rd Floor

No.75 Nelson Manickam Road,

Aminjikarai, Chennai 600 029

**CORPORATE OFFICE**

"SFI Complex" 3rd Floor,

No.176, Valluvarkottam High Road

Nungambakkam, Chennai 600 034

**REGISTRARS & SHARE TRANSFER  
AGENTS**

M/s. Integrated Enterprises (India) Ltd

KENCES Towers, 2nd Floor, No.1

Ramakrishna Street, North Usman Road,

T. Nagar, Chennai 600 017.

**STOCK EXCHANGE WHERE  
COMPANY'S SHARES ARE LISTED**

The BSE Limited, 25th Floor, P.J. Towers,

Dalal Street, Mumbai 400 001

**ANIMATION DIVISION**

1) No.55, 1st Floor, Murugesu Naicker

Office Complex, Greaves Road,

Thousand Lights, Chennai 600006.

2) DRISHYA Building, Animation SEZ,

KINFRA Film & Video Park

Kazhakuttam, Trivandrum 695585

**ENGINEERING DIVISION:**

Shed No.34, SIDCO Electronics

Complex, Guindy, Chennai 600032

**COMPANY IDENTIFICATION  
NUMBER:**

L30007TN1986PLC100219



## **NOTICE TO MEMBERS**

To

### **THE MEMBERS OF ACCEL TRANSMATIC LIMITED**

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of Accel Transmatic Limited will be held on Friday, the 30th Day of December 2016 at "Hotel Rain Drops", 169/2, Greams Road, Chennai 600006 at 11.30 A.M to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company as at March 31, 2016 including audited Balance Sheet as at March 31, 2016 and the statement of Profit and Loss for the year ended on that date and the reports of the Directors and Auditors thereon and in this regard, pass the following resolution(s) as an Ordinary Resolution(s):

**RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To consider and if thought fit, to pass with or without modification as an Ordinary Resolution:

**RESOLVED THAT** Mr. C.K. Kerala Varma (DIN: 06949901), 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 consider and if thought fit, to pass with or without modification as an Ordinary Resolution:

**RESOLVED THAT** Mr. N. Gopalakrishnan Nair (DIN: 02420937), 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.

4. To consider and if thought fit, to pass with or without modification as an Ordinary Resolution:

**RESOLVED THAT** Mr. K.R.Chandrasekaran (DIN: 00212855), 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.

5. Re-Appointment of Statutory Auditors

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

RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Varma & Varma, Chartered Accountants, Chennai, bearing (ICAI Registration No. 4532S ), be and are hereby re-appointed as Statutory Auditors of the Company (being third year in the block of five years ending 2019) to hold the office from the conclusion of this Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of the appointment at every subsequent Annual General Meeting) at such remuneration and out of pocket expenses, as may be decided by the Audit Committee or the Board of Directors of the Company.

#### **SPECIAL BUSINESS:**

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

#### **APPOINTMENT OF MR. N.R.PANICKER AS CHAIRMAN & MANAGING DIRECTOR OF THE COMPANY AND PAYMENT OF REMUNERATION.**

RESOLVED THAT based on the recommendations of the Nomination and Remuneration Committee through Audit Committee and 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) and subject to the approval of shareholders in the Annual General Meeting, Mr. N.R.Panicker (DIN00236198) be and is hereby designated as Chairman & Managing Director of the Company for a period of 3 years with effect from 1st April 2016.



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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. C.N. Ramchand (holding DIN : 05166709), who was appointed as an Additional Director under Section 161(1) of the Companies Act, 2013 with effect from 10th November, 2016 and in respect of whom the Company has received a notice in writing from a member along with a requisite deposit amount proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. M Ayyappan (holding DIN : 00117374), who was appointed as an Additional Director under Section 161(1) of the Companies Act, 2013 with effect from 10th November, 2016 and in respect of whom the Company has received a notice in writing from a member, along with a requisite deposit amount proposing his candidature for the office of Director, be and is hereby appointed

as an Independent Director of the Company to hold office for three consecutive years, upto the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2019."

By order of the Board

Shoba Giridharan  
Company Secretary

Registered Office  
Accel House, 3<sup>rd</sup> Floor  
75, Nelson Manickam Road  
Chennai 600 029  
CIN:L30007TN1986PLC100219

Place: Chennai  
Date :10/11/2016





**NOTES:**

1. The Explanatory Statement pursuant to Section 102(1) and (2) of the Companies Act, 2013 in respect of Item No.5 and special business Nos. 6 to 8 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. Provided that a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member.
4. Proxies, in order to be effective should be duly stamped, completed, signed and must be sent to the Company so as to receive at its registered office not later than 48 hours before the commencement of the AGM.
5. Corporate members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of the board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
6. The members are requested to bring duly filled attendance slip along with their copy of Annual Report at the AGM.
7. Register of Directors and Key Managerial Personnel of the Company and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Contracts and Arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
9. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time and Clause 35B of the Listing Agreement, the Company is pleased to provide members the facility to exercise their right to vote on resolutions at the 30TH AGM by electronic means and all the items of the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). In order to enable its members, who do not have access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing Ballot Form along with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given with this Annual Report. Resolutions passed by members through Ballot Forms or e-voting is deemed to have been passed as if they have been passed at a General Meeting of the members. Members of the Company holding shares either in physical form or in dematerialized form as on the cut off date i.e. 23rd December 2016 may cast their votes by electronic means, Ballots enclosed or in the AGM.
10. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting or by ballot form shall be able to exercise their right at the meeting.
11. The members who have cast their vote by remote e-voting or by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
12. The Notice of 30th AGM, details and instructions for e-voting and the Annual Report of the Company for the year ended 31st March, 2016 is uploaded on the Company's website [www.acceltransmatic.com](http://www.acceltransmatic.com) and may be accessed by the members. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days.  
  
Copies of the above documents are being sent by electronic mode to the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
13. A person, whose name is recorded in the register of members or in the register of





beneficial owners maintained by the depositories as on the cut-off date i.e. 23rd December 2016 only shall be entitled to avail the remote e-voting facility as well as voting in the AGM.

14. Any person who becomes a member of the Company after dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e. 23rd December 2016 ("Incremental Members") may obtain the User ID and password by either sending an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or calling on Toll free No. 1800-222-990.
15. If the member is already registered with NSDL e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.
16. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least 2 witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 3 days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
17. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
18. Pursuant to Section 91 of the Companies Act 2013, the Register of Members and the Share Transfer Register of the Company will remain closed from 24th December 2016 to 30th December 2016 (both days inclusive).
19. Trading in the shares of the Company can be done in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
20. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124 of the Companies Act, 2013, be transferred to the IEPF.
21. The Company has transferred the unpaid or unclaimed dividends declared upto financial year 2006-2007 from time to time on due dates to the Investor Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of the IEPF fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Company) rules 2012. The Company has uploaded the details of Unpaid and Unclaimed amounts lying with the Company as on the 29th September 2014 (date of the last Annual General Meeting on the website of the Company and also on the website of the Ministry of Corporate Affairs)
22. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's Registrar & Transfer Agents In respect of shares held in Electronic / Demat form, the nomination form may be filed with the respective Depository Participant.
23. As required in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, the information (including profile and expertise in specific functional areas) pertaining to Directors recommended for appointment / re-appointment in the AGM is forming part of the Explanatory Statement given below. The Directors have furnished the requisite consent / declarations for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder.
24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company / Registrar & Transfer Agents.
25. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10:00 a.m. to 06:00 p.m.) on all working days



except second and fourth Saturdays, up to the date of the AGM of the Company.

26. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Company / Depository Participant(s) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

27. Instructions for e-voting:

I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The e-voting period commences on 27th December 2016 (9.00 A.M IST) and ends on 29th December 2016 (5.00 P.M IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on 23rd December 2016, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast vote against

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

i. Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

ii. Launch internet browser by typing the following U R L : <https://www.evoting.nsdl.com/>

iii. Click on Shareholder - Login

iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vi. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

vii. Select "EVEN" of "Accel Transmatic Limited".

viii. Now you are ready for remote e-voting as Cast Vote page opens.

ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

x. Upon confirmation, the message "Vote cast successfully" will be displayed.

xi. Once you have voted on the resolution, you will not be allowed to modify your vote.

xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [gkrkgram@yahoo.in](mailto:gkrkgram@yahoo.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :