

ENCORE BUSINESS SYSTEM LIMITED

BOARD OF DIRECTORS

R. RANGARAJAN
Director

SENTHAMARAI KANNAN MONISAA
Director

DEIVASIGAMANI SIVAPRAKASAM
Director

AUDITORS

PARIMELAZHAGAN & CO.,
Chartered Accountants
Chennai

REGISTERED OFFICE

“Khaleeli Centre”, 2nd Floor,
No.4 Montieth Road
Egmore, Chennai 600008
[Email: encorebusiness@gmail.com](mailto:encorebusiness@gmail.com)
www.encorebusiness.in
CIN: L65191TN1990PLC019828

REGISTRARS & TRANSFER AGENTS

Cameo Corporate Services Limited
“Subramaniam Buildings”
No.1 Club House Road
Off Anna Salai, CHENNAI 600002
Phone: 91-44-28460390(5 lines)
Email:cameo@cameoindia.com

(Members are requested to bring their copy of the Annual report for the meeting)

NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the shareholders of the Company will be held at “ Khaleeli Center, 2nd Floor, No-4, Montieth Road, Egmore, Chennai- 600008 on Thursday, 28th September, 2017 at 11.30 AM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2017 and the Profit & Loss Account for the year ended 31st March 2017, together with the reports of the Board of Directors and Auditors’ thereon.
2. To ratify the appointment of Auditors and fix their remuneration

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, the company hereby ratifies the appointment of M/s. S. Parimelazhagan & Co., Chartered Accountants (Firm Registration No.6514S) as Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2018 at such remuneration plus service tax, reimbursement of travelling and other out-of-pocket expenses incurred by them in connection with the audit as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr Deivasigamani Sivaprakasam (DIN 07628021) who was

appointed as an Additional Director in the capacity of Independent Director of the Company by the Board of Directors effective September 30, 2016 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Deivasigamani Sivaprakasam (07628021) as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company with effect from September 30, 2016 to September 29, 2021 and the term shall not be subject to retirement by rotation

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or enactment thereof for the time being in force), Ms Senthamarai Kannan Monisaa (DIN 07628034) who was appointed as an Additional Director of the Company by the Board of Directors effective September 30 2016 and who holds office till the date of the Annual General Meeting in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Ms. Senthamarai Kannan Monisaa (07628034) as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company

/ By order of the Board /

Place: Chennai
Date: 30.05.2017

S Monisaa
Director

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend on a poll to vote instead of him or the proxy or proxies so appointed need not be a member or Members as the case may be of the company. The instrument of proxy duly stamped and executed for use at the meeting must be lodged at the registered office of the company not later than 48 hours before the time fixed for the meeting.
2. The Register of Members and Share Transfer books of the company remain closed from 22nd September 2017 to 28th September 2017 (Both days inclusive)
3. Shareholders desiring any information as regards the Accounts are required to write to the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.
4. Members are requested to notify immediately changes, if any, in their registered addresses to the Company's Registrar and Share Transfer Agents M/s. Cameo Corporate Services Limited, Subramaniam Buildings”, No.1 Club House Road, Off Anna Salai, Chennai 600 002.
5. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting and number of shares held by them.

ANNEXURE TO NOTICE

Explanatory Statement pursuant to Section 102(1) of the companies Act, 2013.

In conformity with the provisions of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the

Special Business mentioned in the accompanying Notice and should be taken as forming part of the Notice.

Item No. 3

Board of Directors of the Company have appointed Mr. Deivasigamani Sivaprakasam as an Additional Director (Independent) of the Company to hold office for a period of five consecutive years, not liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”).

As an Additional Director, Mr. Deivasigamani Sivaprakasam holds office till the date of the AGM and is eligible for being appointed as an Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the “Act”) together with the requisite amount of deposit to propose the appointment of Mr. Deivasigamani Sivaprakasam as a Director of the Company. The Company has also received a declaration from Mr. Deivasigamani Sivaprakasam confirming that he meets the criteria of independence as prescribed under the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). Mr. Deivasigamani Sivaprakasam is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company.

In the opinion of the Board, Mr. Deivasigamani Sivaprakasam fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations and she is independent of the management. Mr. Deivasigamani Sivaprakasam is a Practicing Lawyer based in Tiruppur. He is currently the President of Bar Association, Tiruppur and is a Legal Consultant for a number of Companies.

Mr. Deivasigamani Sivaprakasam is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Mr. Deivasigamani Sivaprakasam and his relatives, are in any way, concerned or interested in the said resolution.

The resolution as set out in item No. 3 of this Notice is accordingly commended for your approval.

Item No. 4

Board of Directors of the Company have appointed Ms Senthamarai Kannan Monisaa as an Additional Director of the Company to hold office till the conclusion of the ensuing Annual General Meeting (“AGM”).

The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the “Act”) together with the requisite amount of deposit to propose the appointment of Ms Senthamarai Kannan Monisaa as a Director of the Company. Ms Senthamarai Kannan Monisaa is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director of the Company.

Ms Senthamarai Kannan Monisaa is from a business family with a Degree of B.Com (International Business) and vast experience in Garment and Export business

Ms Senthamarai Kannan Monisaa is not related to any other Director and Key Managerial Personnel of the Company. None of the Directors, Key Managerial Personnel and their relatives, except Ms Senthamarai Kannan Monisaa and her relatives, are in any way, concerned or interested in the said resolution.

The resolution as set out in item No. 4 of this Notice is accordingly commended for your approval.

/ By order of the Board /

Place: Chennai

Date: 30.05.2017

S Monisaa
Director

E-VOTING FACILITY

As per the section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, e-voting facility is a mandatory requirement for listed companies.

The instructions for shareholders voting electronically are as under:

- 1) The voting period begins on 25th September 2017 at 10.00 AM and ends on 27th September 2017 by 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on Shareholders.
 - (iii) Enter your User ID as categorised below
 - 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) Enter the Image Verification as displayed.
 - (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:

PAN	<p>Enter your 10 digit alpha-numeric *PAN</p> <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 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth in dd/mm/yyyy format.

Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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 member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant ENCORE BUSINESS SYSTEM LIMITED on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take 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 same password then enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) 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.
- 2) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date of 21st September 2017.

- 3) The Company shall be making arrangement for the member to cast their votes in respect to the business through poll, for members attending the meeting who have not cast their vote by voting.
- 4) Mr. R. Alagar, practicing Company Secretary, has been appointed as the Scrutinizer to scrutinise the e-voting process in a fair and transparent manner.
- 5) The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and present the report not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and Chairman shall declare the results of the voting forthwith, which shall not be later than 05.00 pm., 30th September 2017.
- 6) The result declared, along with the Scrutinizer's report shall be placed on the company's website www.encorebusiness.in and on the website of the CDSL after the result is declared by the Chairman and also be communicated to the Stock Exchange where the company is listed.

DIRECTORS' REPORT

Your Directors have pleasure in submitting the Twenty Sixth Annual Report with the Audited Accounts for the year ended March 31, 2017.

WORKING RESULTS

The financial results for the year ended 31st March 2017 are furnished below:

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Profit/Loss Before Depreciation	1,96,444	5,45,221
Less: Depreciation	9,34,641	9,59,354
Loss before exceptional Items	(7,38,197)	(4,14,133)
Add: Exceptional items	-	-
Add: Provision – Deferred Tax Income	6,58,186	1,30,246
Less: Provision – Current year tax	-	2,279
Net Profit/(Loss) After Tax	(13,96,383)	(2,86,166)

Your Directors wish to inform that during the year under review the company has made a net loss of Rs.13.96 lakhs. Your Directors wish to inform that the accumulated loss over the years is Rs. 165.70 lakhs which is 53.49 % of the Paid-up capital. The management is trying to improve its performance and generate profits in the months to come which will reduce this percentage soon.

REVIEW OF OPERATION / FUTURE PLAN

The Company is focusing on knowledge based consulting. Appropriate staffing and office space requirements will be taken care, as the division makes sufficient progress in terms of revenue.

INVESTMENT IN UNQUOTED SHARES

Investments in unquoted shares represent shares bought by the company for long-term investments and returns. These investments are long-term investments in nature and are therefore stated at cost in the books of the company.

SHARE CAPITAL

During the year under review there has been no change in the authorized capital of the company, which is at Rs.10 crores and there is also no change in the total paid up capital of the company, which is Rs.3,09,74,210/-.

Our Share transfer work both Electronic and Physical is being carried out by the Shares Registry Cameo Corporate Services Limited, Chennai.

As per data provided by our share transfer Agents as on 31.03.2017, 604242 equity shares and 1406435 equity shares are held in dematerialized form in CDSL and NSDL respectively and the balance 1086744 shares are held in physical form. 64.88% of the shares of the company are in Demat form, out of which 14.07% is held by promoters.

FINANCE

Cash and cash equivalents as at March 31, 2017 was Rs. 0.53 lacs. The company continues to focus on judicious management of its working capital, Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

With regard to the Income Tax Demand as mentioned in the auditor's report to the extent for Assessment Years 2007-08 Rs.1,23,248 and 2013-14 Rs. 3,84,910 the company has already filed rectification letters to clear all the above tax demands and it is pending with Assessing Officer.

LISTING STATUS

Your company shares are listed in Metropolitan Stock Exchange Of India Ltd. Mumbai.

FIXED DEPOSITS

During the year under review, your Company did not accept or invite any deposits from the public, which come under the purview of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

DIRECTORS

Mr.Senthamarai Kannan Monisaa and , Mr. Deivasigamani Sivaprakasam who were appointed by the Board as Additional Directors are to be appointed as Director and Independent Director respectively in the ensuing Annual General Meeting. During the

period Mrs.R.Rajalakshmi, S.Venugopal and Mr.Riaz patel were resigned from the Board.

AUDITORS

M/S. Parimelazhagan & Co., Chartered Accountants, Chennai, though retire at the conclusion of the Annual General Meeting they continued to be our Auditors as he was appointed for a period up to conclusion of Annual General Meeting of the Company in 2019 and this continuation of the appointment needs ratification from shareholders.

SECRETARIAL AUDIT

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed Alagar R, a practicing company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as **Annexure- C**

IN REPLY TO QUALIFICATION MADE IN SECRETARIAL AUDIT REPORT

- a) Appointment of key managerial personnel under Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Director's opinion: With regard to above we would like to state that in view of poor financial health of the company, we could not afford to appoint a Company Secretary. However we ensure that the above requirements will be complied as soon as possible.

BUSINESS RISK MANAGEMENT

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the company has constituted a business risk management committee.

At present the company has not identified any element of risk which may threaten the existence of the company.

PARTICULARS OF EMPLOYEES

During the period under review, there was no employee drawing remuneration in excess of the limits prescribed under section 197 of the Companies Act, 2013 and Rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

TECHNOLOGY ABSORPTION

Particulars that are required to be disclosed in accordance with the Section 134 (m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014[Chapter IX]; of the Companies Act, 2013 are not applicable to your company.

FOREIGN EXCHANGE EARNINGS AND OUT-GO

During the period under review there was no foreign exchange earnings or out flow.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provision of Section 134 (5) of the Companies Act, 2013, your Directors confirm as under:

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period.
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the Directors had prepared the annual accounts on a going concern basis.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Refer **Annexure A** for details.

SUBSIDIARY COMPANIES

The Company does not have any subsidiary.

CORPORATE GOVERNANCE

SEBI relaxed the applicability of clause 49 for certain companies (companies having paid up equity share capital not exceeding 10 crores and net worth not exceeding 25 crores as on the last day of the previous financial year) vide circular CIR/CFD/Policy Cell/7/2014 dated 15.09.2014 and compliance with clause 49 shall not be mandatory to them.

The equity share capital of the company is 3.09 crores and net worth is 1.44 crores and as such Corporate Governance Report has not been submitted along with the Board Report.

The Board of Directors assuring that the Corporate Governance as stipulated in the Companies Act, 2013 have been fully complied with.

CORPORATE SOCIAL RESPONSIBILITY (CSR ACTIVITY)

Section 135(1) of Companies Act 2013 mandates the CSR expenditure for the companies. However the same provisions are not applicable to your company.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

DECLARATION OF INDEPENDENT DIRECTOR

The Independent Director has submitted his disclosure to the Board that he fulfills all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify himself to be appointed as Independent Director under the provisions of the Companies Act, 2013 and the relevant rules.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The company had 7 board meetings during the financial year under review on 30/05/2016,12/08/2016,30/09/2016,11/10/2016,14/11/2016,13/02/2017,15/03/2017.

ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure- B** and is attached to this Report.

GENERAL

Your Directors wish to thank and place on record their appreciation for the continued support and patronage of the shareholders.

For and on behalf of the Board of Directors

Place: Chennai
Date: 30.05.2017

S. Monisaa
Director

D. Sivaprakasam
Director

ANNEXURE- A

Form No. AOC – 2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

DISCLOSURE OF PARTICULARS CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY BY THE RELATED PARTIES REFERRED TO IN 188 (1) OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTION UNDER THIRD PROVISION THERETO

- 1) **Name of the related Party and Nature of relationship :**
NIL
- 2) **Nature of Contracts/arrangements/transactions:**
NIL
- 3) **Duration of Contracts/arrangements/transactions:**
NOT APPLICABLE
- 4) **Salient terms of the contracts or arrangements or transactions including the value, if any:**
NOT APPLICABLE
- 5) **Date(s) of approval by the Board, if any:**
NOT APPLICABLE
- 6) **Amount Paid as advances, if any:**
NIL

For and on behalf of the Board

Place: Chennai
Date: 30.05.2017

S. Monisaa
Director

D. Sivaprakasam
Director

Annexure- B**EXTRACT OF THE ANNUAL RETURN****I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	L65191TN1990PLC019828
ii)	Registration Date	29-10-1990
iii)	Name of the Company	Encore business system Limited
iv)	Category/sub category of the Company	Public Company
v)	Address of the Registered office and contact details	2nd Floor, Khaleeli center No- 4, Montieth Road Egmore, Chennai- 600008 TAMIL NADU, INDIA Tel- 044 28414144 Email- encorebusiness@gmail.com Web-site: www.encorebusiness.in
vi)	Whether shares listed on recognized Stock Exchange(s)	Yes; Metropolitan Stock Exchange India (Formerly MCX-SX)
vii)	Name, Address Contact details of Registrar and Transfer Agents (RTA)	Cameo Corporate Services Limited "Subramaniam Buildings" No.1 Club House Road Off Anna Salai, CHENNAI 600002 Phone:91-44-28460390(5 lines) Email:cameo@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Software development	8920	0
2	Business and management consultancy activities	8930	100

Clearing Members	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0
HUF	10663	0	10663	0.34	10763	0	10763	0.35	.01
Non Resident Indians	6787	0	6787	0.22	6987	0	6987	0.23	.01
Sub-total (B)(2):-	1553087	1041074	2594161	83.75	1499387	1040374	2539761	81.99	1.76
Total Public Shareholding (B)=(B)(1)+(B)(2)	1574287	1087444	2661731	85.93	1520587	1086744	2607331	84.18	1.75
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	2009977	1087444	3097421	100.00	1956277	1141144	3097421	100.0	0

b. Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	RAMASESHAN RANGARAJAN	307290	9.92	Nil	307290	9.92	Nil	0
2	RANGARAJAN RAJALAKSHMI	128400	4.14	Nil	128400	4.14	Nil	0
3.	S MONISAA	-	-	-	54400	1.75	NIL	0
	Total	435690	14.06	Nil	490090	15.82	Nil	0

c. Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	435690	14.06	435690	14.06
	At the end of the year	490090	15.82	490090	15.82

d. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	For Each of the Top 10 Shareholders Name, Date & Reason of change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	V GEETHA KARANTH	150000	4.84	150000	4.84
	At the end of the year	NA	NA	1,50,000	4.84
2	VIJAYA RAO	150000	4.84	150000	4.84
	At the end of the year	NA	NA	1,50,000	4.84
3	KIZHANATHAM SRINIVASAN RAJAGOPALAN	140000	4.52	140000	4.52
	At the end of the year	NA	NA	140000	4.52
4	ANUSHA	132515	4.27	132515	4.27
	At the end of the year	NA	NA	132515	4.27
5	VARADARAJULU V	114135	3.68	114135	3.68

	At the end of the year	NA	NA	114135	3.68
6	ELECTRONICS CORPORATION OF TAMIL NADU	46370	1.50	46370	1.50
	At the end of the year	NA	NA	46370	1.50
7	"SUNDARARAJAN VENUGOPAL JT1 : USHA VENUGOPAL"	42905	1.38	42905	1.38
	At the end of the year	NA	NA	42905	1.38
8	VINIT KUMAR ARYA	20000	0.65	20000	0.65
	At the end of the year	NA	NA	20000	0.65
9	BANK OF BARODA	20000	0.65	20000	0.65
	At the end of the year	NA	NA	20000	0.65
10.	SANKARALINGAM MUTHUKARUPPAN	20000	0.65	20000	0.65
	At the end of the year	20000	0.65	20000	0.65

(E) Shareholding of Directors and Key Managerial Personnel

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	RAMASESHAN RANGARAJAN	307290	9.92	307290	9.92
	At the end of the year	NA	NA	307290	9.92
2	RANGARAJAN RAJALAKSHMI	128400	4.14	128400	4.14
	At the end of the year	NA	NA	128400	4.14
3	MONISAA S	0	0	54400	1.76
	Purchase 31.3.2017			54400	1.76
	At the end of the year	NA	NA	54400	1.76

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits	Unsecured Loans	Deposit s	Total Indebte dness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0		0	0
ii) Interest due but not paid	0		0	
iii) Interest accrued but not due	0		0	
Total (i+ii+iii)	0		0	0
Change in Indebtedness during the financial year			0	
* Addition	0		0	
* Reduction	0		0	
Net Change	0		0	0
Indebtedness at the end of the financial year			0	
i) Principal Amount	0		0	0
ii) Interest due but not paid	0		0	
iii) Interest accrued but not due	0		0	
Total (i+ii+iii)	0		0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(A) *Remuneration to Managing Director, Whole-time Directors and/or Manager*

SN.	Particulars of Remuneration	Name of Managing Director	Total Amount
		S. Monisaa	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission - as % of profit- others, specify...	0	0
5	Others, please specify Vehicle Maintenance and Local conveyance	0	0
0	Total (A)	0	0
	Ceiling as per the Act	0	0

(B) *Remuneration to other directors*

SN.	Particulars of Remuneration	Name of Directors		Total Amount
		R.Rangarajan	D. Sivaprakasam	
1	Independent Directors			
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify Travelling expense, Local Conveyance	0	0	0
	Total (1)	0	0	0

2	Other Non-Executive Directors			
	Fee for attending board committee meetings	0	0	0
	Commission	0	0	0
	Others, please specify	0	0	0
	Total (2)	0	0	0
	Total (B)=(1+2)	0	0	0
	Total Managerial Remuneration	0	0	0
	Overall Ceiling as per the Act	0	0	0

(B) Remuneration to Key Management Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as % of profit	0	0	0	0
	others, specify...	0	0	0	0
5	Others, please specify (Local Conveyance)	0	0	0	0
	Total	0	0	0	0

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

R.ALAGAR, B.Com., FCS
Company Secretary

11/2, Venkat Apartments
Gandhi Street
T.Nagar, Chennai-600 017
Ph. 28142194
Mobile: 9940682194
email: alagarr@gmail.com

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017**

Form No. MR-3

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

To,
The Board of Directors
ENCORE BUSINESS SYSTEM LIMITED
CIN- L65191TN1990PLC019828
"Kaleeli Centre", Second Floor
No.4, Montieth Road,
Egmore, Chennai – 600008

I have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Encore Business System Limited** (hereinafter called “the Company”).

The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **Encore Business System Limited’s** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with my letter of even date annexed to this report as Annexure – A.

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Encore Business System Limited** (the Company) for the financial year ended on March 31, 2017 according to the applicable provisions of:
 - i) The Companies Act, 1956, Companies Act. 2013 (the Act) and the rules made thereunder.
 - ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
 - iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
 - iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto 14th May 2015) and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (effective 15th May 2015);
 - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - d) The securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - e) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - vi) The Listing Agreement entered into by the Company with Metropolitan Stock Exchange of India Ltd and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015
2. I am informed that, for the financial year ended on March 31, 2017:
 - i) The company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act:

- a) The Securities and Exchange Board of India (Employee Stock Opinion Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
 - ii) There are no laws specifically applicable to the company, the books, papers, minute books, forms and returns of which were required to be examined by me for the purpose of this report.
3. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India made effective July 1, 2015.
4. During the period under review, to the best of my knowledge and belief and according to the information and explanations given to me, the company has complied with the provisions of the acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable subject to the following:
- a) Appointment of key managerial personnel under Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
5. I further report that:
- i) The board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
 - ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings along with agenda were sent at least seven days before the meeting Agenda and detailed notes on agenda were sent less than seven days before the meeting, since there was no statutory requirement during the year to send them seven days in advance of the meeting.

- iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. I am informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- iv) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Chennai

Date: 30-05-2017

Signature:

(sd/-)

Name of Company Secretary: **R.Alagar**

Membership.No.**F4720**

C.P.No.**3913**

Annexure A to Secretarial Audit Report of even date

To,
The Board of Directors
ENCORE BUSINESS SYSTEM LIMITED
CIN- L65191TN1990PLC019828
"Kaleeli Centre", Second Floor
No.4, Montieth Road,
Egmore, Chennai – 600008

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards are the responsibility of the management of the company. My responsibility is to make a report based on the secretarial records produced for my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my report.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. I have obtained the management's representation about the compliances of laws, rules and regulations and happenings of events, wherever required.
5. This Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai
Date: 30-05-2017

Signature:
Name of Company Secretary: **R.Alagar**
Membership.No.**F4720**
C.P.No.**3913**

Independent Auditor's Report

To The Members of Encore Business System Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Encore Business System Limited which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules, 2014.This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies' directors, 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 on the financial statements.

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, 2017;
- b) in the case of the statement of Profit and Loss Account, 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.

Report On Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) order, 2016('the order'), as amended, issued by the Central Government of India in terms of sub-section(11) of section 143 of 'the Act', we given in the "**Annexure A**" a statement on the matters specified in the above mentioned paragraphs of the said Order, to the extent applicable.

1. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it 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 referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of sub section (2) of section 164 of the Companies Act, 2013.
 - f. With respect to adequacy of internal financial control over financial reporting of the company and the operating effectiveness of such controls , refer to separate report in Annexure 'B' and

- g. With respect to the other matters included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014 in our opinion and to best of our information and according to the explanation given to us.

1) The company has disclosed the impact of pending litigation on its financial position in its financial statement.

2) The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

3) There have been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company.

4) The Company has provided requisite disclosures in its financial statements as holdings as well as dealings in Specified Bank notes during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

**For PARIMELAZHAGAN & CO
CHARTERED ACCOUNTANTS
FRN:6514S**

**S.Parimelazhagan
Partner**

Membership No. :200970

Place: Chennai
Date: 30/05/2017

Annexure –A to the Auditors ‘Report

The Annexure referred to Our Report of Encore Business System Limited on the accounts of the company for the year ended 31st March, 2017. We report that:

1. a) The Company has maintained proper records to show full particulars including quantitative details and situations of fixed assets.
- b) As per the information and explanations given to us, the fixed assets of the Company have been physically verified by the management at reasonable intervals and no serious discrepancies between the book records and physical verification were noticed.
- c) As per the information and explanations given to us, the company does not own any immovable property and holding title deeds of immovable properties in the name of the company will not arise..
2. a) The company is a service company, primarily rendering software services. Accordingly it does not hold any

physical inventory. Thus the paragraph 39 (ii) of the order is not applicable to the company.

3. As per information furnished, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of 'the Act'. Hence, the clauses (iii)(a),(b) and (c) of this paragraph of the order are not applicable.
4. In respect of loans, investments and guarantees, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
5. The company has not accepted any deposits from the public.
6. The central Govt has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, for any service rendered by the company.
7.
 - a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2017 for a period of more than six months from the date they became payable.
 - b. According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes except the following:

S No	Name of the statute	Amount	Forum where the dispute is pending
1	Income Tax	1,23,248	AO Income Tax Department
2	Income Tax	3,84,910	AO Income tax Department

- 8 The company has not borrowed loan from bank, financial institution or debenture holders during the year. Accordingly Paragraph 3(viii) will not applicable to the company.

- 9 The company during the year does not raise by way of public issue/ further follow-on offer (including debt instruments). . Accordingly Paragraph 3(ix) will not applicable to the company.
- 10 As per information and explanations given to us , there is no fraud by the company or any fraud on the Company by its officers/ employees has been noticed or reported during the year
- 11 The company has not paid any managerial remuneration during the year and compliance under the provisions of section 197 read with schedule V to the Companies Act will not applicable to the company.
- 12 As per information and explanations given to us , the company is not the Nidhi Company. . Accordingly Paragraph 3(xii) will not applicable to the company.
- 13 As per information and explanations given to us , all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.
- 14 As per information and explanations given to us, the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review. Accordingly the requirement of Section 42 of the Companies Act, 2013 to comply will not applicable to the company.
- 15 As per information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him, accordingly Paragraph 3(xv) will not applicable to the company.
- 16 The company is not required to be registered with RBI under section 45 -IA of the Reserve bank of India Act 1934.

For PARIMELAZHAGAN & CO
CHARTERED ACCOUNTANTS
FRN:6514S

S.Parimelazhagan
Partner

Membership No. :200970

Place: Chennai
Date: 30/05/2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Encore Business System Limited** as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

**For PARIMELAZHAGAN & CO
CHARTERED ACCOUNTANTS**
FRN:6514S

S.Parimelazhagan
Partner
Membership No. :200970

Place: Chennai
Date: 30/05/2017

ENCORE BUSINESS SYSTEM LIMITED

Balance Sheet as at March 31, 2017

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	As at 31-03-2017	As at 31-03-2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	3,09,74,210	3,09,74,210
Reserves and Surplus	4	(1,65,70,701)	(1,51,74,317)
Non-current liabilities			
Long-term borrowings			-
Deferred Tax Liability	5	8,76,966	2,18,780
Long-term provisions			-
Current Liabilities			
Short-term borrowings			-
Trade payables			-
Other current liabilities	6	3,42,834	2,42,739
Short-term provisions	7	39,000	8,279
Total		1,56,62,310	1,62,69,690
ASSETS			
Non-current assets			
Fixed Assets			
Tangible assets	8	6,99,925	12,34,335
Intangible assets	9	1,00,94,307	12,93,130
Intangible assets WIP	10	-	89,75,108
Non-current investments	11	45,00,000	45,00,000
Long-term loans and advances			-
Current assets			
Current investments			-
Trade receivables	12	1,92,000	38,876
Cash and bank balances	13	53,342	1,05,506
Short-term loans and advances			-
Other current assets	14	1,22,736	1,22,736
Total		1,56,62,310	1,62,69,690

Significant accounting policies 2
The notes referred to above form an integral part of the balance sheet.
This is the balance sheet referred to in our report of even date.

for PARIMELAZHAGAN & CO
Chartered Accountants

Firm Registration no.65145

S.Parimelazhagan

Partner

Membership No. 200970

Place: Chennai

Date:30/05/2017

For and on behalf of Board of Directors of Encore Business System Ltd.

S Monisaa

Director

D Sivaprakasam

Director

ENCORE BUSINESS SYSTEM LIMITED**Statement of Profit and Loss for the year ended March 31, 2017**

(All amounts are in Indian Rupees, except share data or as stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue			
Revenue from operations	15	4,74,000	9,14,001
Other income	16	2,939	-
Total Revenue		4,76,939	9,14,001
Expenses			
Employee related benefits		-	-
Other expenses	17	2,77,551	3,68,127
Depreciation	18	9,34,641	9,59,354
Finance costs	19	2,945	653
Total expenses		12,15,137	13,28,134
Loss before exceptional Items		(7,38,197)	(4,14,133)
Add: Exceptional Items		-	-
Loss before tax		(7,38,197)	(4,14,133)
Tax expense:			
Current tax		-	2,279
Current tax for earlier years		-	-
Deferred tax		6,58,186	(1,30,246)
Total tax expense		6,58,186	(1,27,967)
Loss for the period		(13,96,383)	(2,86,166)
Earnings per equity share			
- Basic and diluted		(0.451)	(0.092)
Weighted average number of equity shares outstanding		30,97,421	30,97,421
Nominal value of equity shares (Rs.)		10	10
Significant accounting policies	2		

The notes referred to above form an integral part of the statement of profit and loss.

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

for **PARIMELAZHAGAN & CO****Chartered Accountants****Firm Registration no.65145**For and on behalf of Board of Directors of **Encore Business System Ltd.****S.Parimelazhagan****Partner****Membership No. 200970**

Place: Chennai

Date:30/05/2017

S Monisaa**Director****D Sivaprakasam****Director**

ENCORE BUSINESS SYSTEM LIMITED**Notes to financial statements for the year ended March 31, 2017**

(All amounts are in Indian Rupees, except share data or as stated)

Significant accounting policies and notes to the financial statements**1 Company Background**

Encore is currently in the business of software development, software testing, training and related services.

2 Significant Accounting Policies**a Basis of preparation of financial statements**

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified by the Central Government pursuant to Companies (Accounting Standard) Rules, 2006, other pronouncements of the Institute of Chartered Accountants of India (ICAI) and relevant provisions of the Companies Act, 2013, to the extent applicable.

Presentation and disclosure of financial statements

During the year ended March 31, 2017, the revised schedule II notified under the Companies Act, 2013 has become applicable to the Company, for preparation and presentation of its financial statements. Except accounting for dividend on investments in subsidiary companies, the revised schedule II does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

Change in accounting policy

There is no change in accounting policy.

b Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c Fixed assets, depreciation and capital work in progress**Tangible assets and depreciation**

Fixed assets are stated at cost of acquisition, less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of all incidental expenses relating to cost of acquisition and the cost of installation / erection as applicable. Borrowing cost related to acquisition or construction of those fixed asset which necessarily take a substantially period of time to get ready for their intended use are capitalised.

Depreciation on fixed assets is provided on Straight line method. The rates of depreciation prescribed in Schedule II to the Companies Act, 2013 are considered as the minimum rates. If the management's estimates of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management estimate of useful life/ remaining useful life.

Intangible assets and amortization

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use.

d Inventories

Inventories are valued at the lower of cost and net realizable value.

Cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

e Leases

Operating lease payments are recognised as an expense in the statement of profit and loss account on straight line basis over the lease term.

Assets acquired under a finance lease are capitalised and the corresponding lease liability is recorded at an amount equal to the fair value of the leased asset or the present value of the minimum lease payments, whichever is lower, at the inception of the lease. Lease payments are apportioned between finance charges and reduction of the lease liability at the implicit rate of return. Finance charges are charged to statement of profit and loss account.

f Revenue recognition

Income from Training Services is accounted when the relevant services are rendered and is net of discounts and taxes and Income from Sale of Software is accounted on transfer of ownership

g Investments

Long term investments are stated at cost and provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

Current investments are stated at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

h Employee benefit*Defined contribution plan*

At present the company has no obligation to provide for contribution towards PF/ ESI and gratuity

i Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions or rates that approximates the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss account of the year.

j Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

k Taxation

Income tax expenses comprise current tax (i.e. amount of income tax for the year determined in accordance with the Income Tax law) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income / expense and taxable income / expense for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty of the assets getting realised in future. However, where there is unabsorbed depreciation or carry forward of losses under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to setoff and they relate to taxes on income levied by the same governing taxation laws.

l Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

m Impairment policy

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

n Cash flows

Cash flows are reported using the indirect method, whereby 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, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

3 Share Capital**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at March 31, 2017	As at March 31, 2016
Authorised 10,000,000 (March 31, 2016: 10,000,000 equity shares) of Rs 10 each	10,00,00,000	10,00,00,000
Issued, Subscribed and Paid up 30,97,421 (March 31, 2016: 30,97,421) equity shares of Rs 10 each	3,09,74,210	3,09,74,210

b The reconciliation of number and amount of shares outstanding is as under:

Particulars	As at March 31, 2017		As at March 31, 2016	
	(No. of shares)	(Amount)	(No. of shares)	(Amount)
Balance at the beginning of the year	30,97,421	3,09,74,210	30,97,421	3,09,74,210
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	30,97,421	3,09,74,210	30,97,421	3,09,74,210

c Terms / rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company has not declared dividend during the year.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended March 31, 2017, the Company has not declared any dividend during the year.

d Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares of Rs. 10 each fully paid R Rangarajan	3,08,890	9.97%	3,08,890	9.97%
	3,08,890		3,08,890	

e Shares allotted as fully paid up by way of bonus shares and pursuant to contracts without payment being received in cash

Particulars	As at March 31, 2017	As at March 31, 2016
Equity shares allotted as fully paid up bonus shares	Not applicable	Not applicable

4 Reserves and Surplus

Particulars	As at March 31, 2017	As at March 31, 2016
Securities premium account		
Balance at the beginning of the year	12,72,350	12,72,350
Add: Additions during the year	-	-
Less: Utilisation during the year	-	-
Closing balance	12,72,350	12,72,350
General reserves		
Balance at the beginning of the year	1,21,000	1,21,000
Add: Amount transferred from surplus	-	-
Less: Utilisation during the year	-	-
Closing balance	1,21,000	1,21,000
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(1,65,67,667)	(1,62,81,501)
Loss for the year	(13,96,383)	(2,86,166)
Depreciation Written Back	-	-
Less: Appropriations	-	-
Transfer to general reserve	-	-
Net surplus in the statement of profit and loss	(1,79,64,051)	(1,65,67,667)
Total	(1,65,70,701)	(1,51,74,317)

5 Deferred Taxes

The major components of the deferred tax assets and liabilities are outlined below:

Particulars	As at March 31, 2017	As at March 31, 2016
Tangible assets	8,76,966	2,18,780
Deferred tax liability	8,76,966	2,18,780

6 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of Long term loan		
Statutory Liabilities	-	-
Payables to others	3,42,834	2,42,739
Total	3,42,834	2,42,739

7 Short-term provisions

Particulars	As at March 31, 2017	As at March 31, 2016
Short-term provisions	39,000	6,000
Provision for tax	-	2,279
Total	39,000	8,279

11 Non - current Investment

Particulars	As at March 31, 2017	As at March 31, 2016
Trade, unquoted (at cost)		
450000 Equity Shares of Rs.10/-each fully paid in HONEYCOMB Technologies Pvt. Ltd. (at cost price)	45,00,000	45,00,000
Total	45,00,000	45,00,000

12 Trade Receivables

Particulars	As at March 31, 2017	As at March 31, 2016
<i>Unsecured: and considered good</i>		
More than 6 months	-	-
Other debts	1,92,000	38,876
Total	1,92,000	38,876

13 Cash and bank balance

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Cash in hand	43,430	92,054
Bank balances - in current accounts	9,912	13,452
Total	53,342	1,05,506

14 Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016
Telephone deposit/deposit with stock exchange and others	39,351 83,385	39,351 83,385
Total	1,22,736	1,22,736

15 Revenue from operations

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sales of software	-	9,14,001
Income from training activities	4,74,000	-
Total	4,74,000	9,14,001

16 Other income

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Sale of scraps	-	2,75,000
Income from other sources	2,939	-
Total	2,939	2,75,000

17 Other expenses

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Advertisement	-	4,320
Audit Fee	30,000	17,175
Repairs and maintenance - others	-	39,408
Travelling and conveyance	-	8,625
Printing and stationery	4,000	7,838
Professional charges	42,500	29,700
Listing Fees	90,280	28,090
Rates & Taxes	11,370	17,833
Proportional Expenses	-	-
Training Related Expenses	95,780	2,08,308
Miscellaneous expenses	3,621	6,830
Total	2,77,551	3,68,127

18 Depreciation

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Depreciation on tangible assets	9,34,641	9,59,354
Amortisation on intangible assets	-	-
Total	9,34,641	9,59,354

19 Finance costs

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Bank charges/Interest expenses	2,945	653
Total	2,945	653

20 Payment to auditors, excluding service tax (included in professional charges under note 24)

Particulars	Year ended	Year ended
	March 31, 2017	March 31, 2016
Statutory audit	30,000	17,575
Total	30,000	17,575

21 Details of inventory of consumables

For the current year ended March 31, 2017, none of the items are individually material and also account for less than 10% of the total value of purchases, sales and consumption and hence, particulars in respect of the same has not been furnished

22 Retirement benefits Gratuity Plan

Not Applicable

23 Related party transactions

Names of related parties and nature of relationship are as follows:

Subsidiaries	NIL
Associates	NIL
Key Management Personnel (KMP)	R. Rangarajan
Enterprise over which KMP are able to exercise significant influence	Nil

24 Micro, Small and Medium Enterprises

The management is currently in the process of identifying enterprises which have provided services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2017 has not been made in the financials statements based on information received and available with the Company. Further in the view 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.

25 Previous year figures have been regrouped wherever necessary to conform to current year classification.

for **PARIMELAZHAGAN & CO**
Chartered Accountants
Firm Registration no.65145

For and on behalf of Board of Directors of Encore Business System Ltd.

S.Parimelazhagan
Partner
Membership No. 200970
Place: Chennai
Date: 30/05/2017

S Monisaa
Director

D Sivaprakasam
Director

ENCORE BUSINESS SYSTEM LIMITED
 "Khaleeli Centre", 2nd floor, No.4 Montieth Road
 Egmore, Chennai – 600008

1. DISCLOSURE REQUIREMENT ON SPECIFIED BANK NOTES (SBN'S)

During the Year, The company had specified bank notes or other denomination note as defined in the MCA notification G.S.R.308(E) dated March 31,2017. On the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other specified notes in the following proforma.

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on November 8, 2016	1000 x 1 500 x 121	Rs.100 x 600 Rs.50 x 150 Rs.20 x 85 Rs.10 x 3	Rs.130730.00
Add: Permitted Receipts	Nil	Nil	Nil
Less: Permitted Payments	Nil	Nil	Nil
Less: Amount Deposited in Banks	Rs.1000 x 1 Rs.500 x 121	Nil	Rs.61500.00
Closing Cash in Hand as on December 30, 2016	--	Rs.100 x 600 Rs.50 x 150 Rs.20 x 85 Rs.10 x 3	Rs.69230.00

For the purpose of this Clause the term Specified bank notes shall have the same meaning provided in the notification of Govt. of India, in the Ministry of Finance, Department of Economic Affairs No.SO.340E dated the 8th November 2016.

ENCORE BUSINESS SYSTEM LIMITED
"Khaleeli Centre", 2nd floor, No.4 Montieth Road
Egmore, Chennai – 600008

PROXY FORM

I / Webeing a Member(s) of Encore Business System Limited hereby appoint Or failing himas my / our Proxy to vote for me / us on my / our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on 28.9.2017 at 11.30 a.m, and at any adjournment thereof as witness my / our hands thisthe day of 2017.

For Office Use

Proxy No.

Revenue Stamp

Date of Receipt :

No. of shares held :

The proxy form must be deposited at the Registered Office of the company not later than 48 hours before the time for holding the aforesaid meeting.

ENCORE BUSINESS SYSTEM LIMITED
"Khaleeli Centre", 2nd floor, No.4 Montieth Road
Egmore, Chennai – 600008

ATTENDANCE SLIP

(Please present this slip at the entrance of the meeting hall)

I / We hereby register my / our presence at the Twenty Seventh Annual General Meeting of the Company to be held at "Khaleeli Centre", 2nd floor, NO.4 Montieth Road, Egmore, Chennai – 600008 on 28.9.2017 at 11.30 A.M.

Folio No.

No. of shares:

Name of shareholder:

Address:

To be signed at the time of handing over at the meeting hall.

Note: (1) Member / Proxy must bring the attendance slip to the meeting and hand it over duly signed at the registration counter.