

25<sup>th</sup>  
ANNUAL REPORT  
2015 – 16



*Padmalaya*  
TELEFILMS LIMITED

## ***Corporate Information***

### ***Board of Directors***

Sri. Bijay Kumar Khemkha	-	Chairman (DIN: 01543776)
Sri. G.V.Narasimha Rao	-	Executive Director (DIN: 01763565)
Sri. S.Sreenivasa Rao	-	Director - Works (DIN: 01691043)
Dr. D.V.N.Raju	-	Independent Director (DIN: 01887919)

### ***Regd. & Administrative Office***

Plot No.138, H.No. 8-3-222/1/23,  
Madhura Nagar, Yusuf Guda, Hyderabad - 500 038

### ***Auditors***

M/s P. Murali & Co.,  
Chartered Accountants,  
6-3-655/2/3, Somaji Guda  
Hyderabad - 500 082

### ***Bankers***

Allahabad Bank

### ***Share Transfer Agents***

Karvy Computershare Pvt. Ltd.  
Plot No.17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081.  
Ph : 040-44655000, Fax: 040-23420814  
email : einward.ris@karvy.com

### ***Listing***

The Bommay Stock Exchange Limited, Mumbai  
The National Stock Exchange Limited, Mumabi

***Corporate Identification Number: L92111TG1991PLC013222***

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## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 25<sup>TH</sup> ANNUAL GENERAL MEETING OF M/S. PADMALAYA TELEFILMS LIMITED WILL BE HELD ON FRIDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER 2016 AT 9.30 AM AT STATE GALLERY OF FINE ARTS, ROAD NO.1, KAVURI HILLS, MADHAPUR 500 033 TO TRANSACT THE FOLLOWING BUSINESS:**

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### ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2016 including audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.
2. To appoint a Director in place of Sri. S. Sreenivasa Rao who retires by rotation and being eligible offers himself for reappointment.
3. To ratify the appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting to be held in the year 2017 and fix their remuneration by Passing the following Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 139(9) and 142(1) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made there under, the appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad as statutory Auditors of the company be and are hereby ratified to hold the office from the conclusion of this Annual General Meeting till conclusion of next Annual General Meeting, with remuneration as may be decided by the Board of Directors".

By Order of the Board of Directors

Sd/-  
(Bijay Kumar Khemka)  
Chairman

Place : Hyderabad  
Date : 29<sup>th</sup> August, 2016

**Notes :**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.

2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 24<sup>th</sup> September, 2016 to Friday, 30<sup>th</sup> September, 2016 (both days inclusive). The book closure dates have been fixed in consultation with the Stock Exchanges.
3. The relevant details of Directors seeking re-appointment under item no. 2, of this Notice are provided in the Annual Report.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Share Transfer Agent of the Company. i.e. [www.karvycomputershare.com](http://www.karvycomputershare.com), to M/s. Karvy Computershare Pvt. Ltd. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
6. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 23<sup>rd</sup> September 2016, i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Share Transfer Agent of the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The e-voting period will commence at 10.00 a.m. on Tuesday, 27<sup>th</sup> September 2016 and will end at 5.00 p.m. on Thursday, 29<sup>th</sup> September 2016. The Company has appointed C.S. Mr. Puttaparthi Jagannadam, Advocate in Practice, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

**PROCEDURE FOR E-VOTING**

1. The Company has entered into an arrangement with M/s Karvy Computershare Pvt. Ltd for facilitating e-voting to all the Share Holders of the company for AGM.

The instructions for e-voting are as under:

**A. In case a Member receiving an email from Karvy [for Members whose email IDs are registered with the Company / Depository Participant(s)]:**

- i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
- ii) Enter the login credentials (i.e., User ID and password mentioned below). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii) After entering these details appropriately, Click on "LOGIN".
- iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.) The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v) You need to login again with the new credentials.
- vi) On successful login, the system will prompt you to select the "EVENT" i.e., Padmalaya Telefilms Limited.
- vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned hereinabove. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
- xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: [schid285@gmail.com](mailto:schid285@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO".

**B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:**

- i) User ID and initial password as provided below:
- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

**C. The e-voting period commences on the Tuesday, September 27<sup>th</sup>, 2016 at 10:00 A.M. and ends on Thursday, September 29<sup>th</sup>, 2016 at 5.30 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday 23<sup>rd</sup> September, 2016, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**

Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.

- D. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
- E. The voting rights of the Members shall be proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Monday, September 19, 2016.
- F. The Company has appointed Company Secretary Mr. Puttaparthi Jagannadham, Practising Advocate as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- G. The Scrutinizer after conclusion of the e-voting period will unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company.
- H. The Results on resolutions shall be declared on or before 3<sup>rd</sup> October, 2016 and the resolution will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- I. The Results declared along with the Scrutinizer's Report(s) will be available on the Service Provider's website (<https://evoting.karvy.com>) within three (3) days of passing of the resolutions and communication of the same to the stock exchanges, where the equity shares of the company are listed.

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN
1209	1100001100016468	Existing Password

- 7. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Karvy Computershare Pvt. Ltd / Investor Service Department of the Company immediately.
- 8. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Karvy Computershare Pvt. Ltd / Investor Service Department of the Company.
- 9. For convenience of the Members and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.
- 10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.

**Additional information on Retiring Directors required to be furnished as per the Listing Agreement.**

Brief Details of Directors seeking re-appointment at this Annual General Meeting.

Name of the Director	Sri. S.Sreenivasa Rao
Date of Appointment	22 <sup>nd</sup> January 2007
Date of Birth/Age	46 Years
Education Qualification	Diploma in Mechanical Engineering
Expertise in Specific functional areas	In post Production Activity of the Films & Television Serials and Animation
List of Companies in which Directorships held as on 31.03.2016.	2
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2016.	Nil

## Directors' Report

To  
The Members  
PADMALAYA TELEFILMS LTD

Your Directors have pleasure in presenting the 25<sup>th</sup> Annual Report on the business of your company and the Audited Financial Statements for the year ended on 31<sup>st</sup> March 2016 thereof. The Business and operations of the company over the last fiscal year are briefly encapsulated below:

### Financial Results

(Rs.In Lakhs)

Particulars	Year Ended 31 <sup>st</sup> March 2016	Previous ended on 31 <sup>st</sup> March 2015
Turn Over	226.92	221.09
Profit / (Loss) Before Depreciation, Tax & extra-ordinary items	22.49	37.67
Profit / (Loss) after Tax & After extra-ordinary items	58.28	(94.64)
Add: Profit/(Loss) brought Forward from last year	(8606.41)	(8544.91)
<b>Profit / (Loss) Carried forward to Balance Sheet</b>	<b>(8548.13)</b>	<b>(8606.41)</b>

### Business Performance Review

During the year under review, the Company has reviewed all its business divisions and your company's performance is encouraging. Board of Directors assures you the same in the years to come.

### Out look for the current year

Your Company has reviewed all its business divisions and, to strengthen its stand in the market, the company has been concentrating in activities like multimedia training, and Digitalisation of the theaters and Film Production tie ups with experts in the market.

### Dividend

The Board could not recommend dividend during the year under review in absence of profits.

### BUSINESS RISK MANAGEMENT

The Company, like any other enterprise, is exposed to business risk which can be internal risks as well as external risks. The threats to the Industry in which the company operates are -

**Piracy:** Piracy of the produced content, under the purview of intellectual property rights, can adversely affect revenues and profitability.

Mitigation: Industry members have set up an Antipiracy Society (AACT) to fight the menace.

### DEPOSITS

The Company has not accepted deposits covered under Chapter V of the Companies Act, 2013 and accordingly, the disclosure requirements stipulated under the said Chapter are not applicable.

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the company has not given any loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, except the remuneration to managerial personnel, there is no related party transactions to be disclosed.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith elsewhere in the Annual Report.

## **DEMAT SUSPENSE ACCOUNT UNCLAIMED SHARES**

As on 31<sup>st</sup> March 2016, there were no Equity Shares of Shareholders were lying in the Escrow Account due to non-availability of the correct particulars.

## **CORPORATE GOVERNANCE**

Your Directors are happy to report that your Company is compliant with the Corporate Governance requirements as per the Provisions of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015. A separate section on Corporate Governance together with a certificate from the Statutory Auditor's confirming compliance is set out in the Annexure forming part of this report.

## **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

A Management Discussion and Analysis Report, has been attached and forms part of the Annual Report.

## **ADDITIONAL INFORMATION AS REQUIRED U/ S 134(3)(m) OF THE COMPANIES ACT, 2013**

(a) Conservation of Energy:

- (i) details of steps taken by the company for utilising alternate sources of energy, and
- (ii) the capital investment on energy conservation equipments, are -

The company is not engaged in manufacturing activities, and as such the particulars relating to conservation of energy is not applicable. The company makes every effort to conserve energy as far as possible in its editing facilities, Production Floors, Office etc.

(b) (i) Technology Absorption, adaptation and innovation:-

The company is not engaged in manufacturing activities, and as such the particulars relating to Research, Development and technology absorption are not applicable.

- (ii) Research and Development (R & D): No research and Development has been carried out.

(c) Foreign exchange earnings: Nill

(d) Foreign exchange out go: Nill

## **PARTICULARS OF EMPLOYEES**

The Directors are to report that none of the employee was in receipt of remuneration exceeding the limit prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

## **STATUTORY AUDITORS**

Pursuant to the members' resolution passed at the previous Annual General Meeting, M/s. P. Murali & Co., Chartered Accountants, were appointed as Statutory Auditors for a period of three years subject to ratification at every Annual General Meeting and a resolution for the said ratification of appointment of the

said Statutory Auditors of the Company from the conclusion of this Annual General meeting till the conclusion of the next Annual General Meeting to be held in the year 2017 was proposed in the notice attached to this Annual report after obtaining the confirmation and eligibility certificate from the said firm.

#### **BOARD AND COMMITTEES PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations 2015, the Board has carried out an annual performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

#### **NUMBER OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR AND THE DATES OF THE BOARD MEETINGS:**

The Board met four times during the financial year 2015-2016.

The dates on which the above Board meetings were held are as follows:

30<sup>th</sup> May 2015, 14<sup>th</sup> August 2015, 14<sup>th</sup> November 2015 and 13<sup>th</sup> February 2016.

#### **DIRECTORS & INDEPENDENT DIRECTORS**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations 2015.

The Company has received declarations from the Independent Directors of the Company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and are available for inspection at the registered office of the Company.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Directors responsibilities Statement it is hereby confirmed:

- a. That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- b. That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31<sup>st</sup> March, 2016 and of the profit and loss of the company for that period;
- c. That the directors have 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;
- d. That the directors have prepared the annual accounts on a going concern basis.
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **POLICIES**

### **Material Subsidiary**

During the year ended March 31, 2016, the Company does not have any material listed/unlisted subsidiary companies as defined in SEBI (LODR) Regulations 2015. The policy on determining material unlisted subsidiary of the Company is approved by the Board of Directors of the company.

### **Vigil Mechanism**

The Board of Directors of the company are committed to maintain the highest standard of honesty, openness and accountability and recognize that employees have important role to play in achieving the goal. As a public company the integrity of the financial matters of the Company and the accuracy of financial information is paramount. The stakeholders of the Company and the financial markets rely on this information to make decisions. For these reasons, the Company must maintain workplace where it can retain and treat all complaints concerning questionable accounting practices, internal accounting controls or auditing matters or concerning the reporting of fraudulent financial information to our shareholders, the Government or the financial markets. The employees should be able to raise these free of any discrimination, retaliation or harassment. Pursuant to the policy, employees are encouraged to report questionable accounting practices to Dr. DVN Raju, Chairman of Audit Committee through email or by correspondence through post.

### **Familiarisation programme for Independent Directors**

Pursuant to the provisions of SEBI (LODR) Regulations 2015, the Company has formulated a programme for familiarising the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc through various initiatives.

### **Key Managerial Personnel**

Sri. R Mahipal Reddy, Chief Financial Officer was appointed as Key Managerial Personnel in accordance with the Section 203 of the Companies Act, 2013.

### **Related Party Transaction**

Policy on dealing with Related Party Transactions is approved by the Board. No related party transactions were entered into during the financial year under review, except remuneration to managerial personnel, there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The same was discussed by the Audit Committee as also the Board. The policy on Related Party Transactions as approved by the Board. None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company.

### **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to financial statements. Periodic audits are undertaken on a continuous basis covering all the operations i.e., manufacturing, sales & distribution, marketing, finance, etc. Reports of internal audits are reviewed by management from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

### **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit Report is obtained by the company from C.S. Mr. Puttaparthi Jagannadham, Practising Company Secretaries, Hyderabad and forms part of this Annual report.

## **Disclosures pursuant to The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The details of remuneration paid to the Managerial Personnel are as under -

1. The Disclosures pursuant to sub-rule (1) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are forms part of the Board's Report.
2. The Disclosures pursuant to sub-rule (2) of Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company forms part of the Board's Report.

### **Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The details pertaining to criteria for determining qualifications, positive attributes and independence of a Director and remuneration policy have been provided in Section of the attached Corporate Governance Report.

### **Significant and Material Orders Passed by the Regulators or Courts**

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations

### **Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. An Internal committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees including trainees are covered under this policy.

### **PERSONNEL**

The relationship between the management and the staff was very cordial throughout the year under review. Your Directors take this opportunity to record their appreciation for the cooperation and loyal services rendered by the employees.

### **ACKNOWLEDGEMENTS**

Your Directors place on record their appreciation of the continuous assistance and co-operation extended to your Company by the valued customers, bankers, Reserve Bank India, SEBI, Bombay Stock Exchange Limited & National Stock Exchange of India Limited and all other regulatory Authorities. The Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

By orders of the Board

Sd/-  
(Bijay Kumar Khemka)  
Chairman

Place : Hyderabad  
Date : 29<sup>th</sup> August, 2016

**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31ST 2016**  
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the  
Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To**  
**The Members of Padmalaya Telefilms Limited**  
**Hyderabad**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Padmalaya Telefilms Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- i. The 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. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- v. Other Specifically applicable laws to the Company:
  - Up linking / down linking policy /guidelines issued by ministry of information and Broadcasting
  - The Cable Television Network (Regulations) Act, 1995 and rules framed there under;
  - Intellectual Property Rights related laws;
  - (Amendment) Regulations, 2013 issued by Telecom Regulatory Authority of India;
  - The Telecommunication (Broadcasting and cable services ) interconnection (Digital Addressable Cable Television Systems) Regulations, 2012
  - Approvals from the AP/ Telangana Chamber of Commerce
  - Approvals from Central Board of Film Certification

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement(s) entered into by the Company with Stock Exchange(s)
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We further report that

- Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, and environmental laws.
- The Compliance by the Company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same have been subject to review by Statutory Financial Audit and Other designated professionals.
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

During the period under review the company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standard etc. Mentioned above except as mentioned below:

1. The Company Secretary and Women Director of the Company have not been appointed as required by the applicable laws.
2. The Trading of the share of the company have been suspended in NSE. However the Company is furnishing statements to NSE.
3. Mr. Bijay Kumar Khemka Director of the company is appearing as Executive Director of the company on MCA portal though he is non-executive Director of the Company. However management addressed a letter to the ROC for rectification.
4. Disclosure have not been made on the website of the Company.

We further report that, during the period covered under audit, there was delay in filing 4(Four) forms with the Registrar of Companies, though the compliance and the objective has been met by the Company.

We further report that

- 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.
- there were no such specific events/actions in pursuance of the above referred laws, rules, regulations, etc., having a major bearing on the Company's affairs.

For Puttaparthi Jagannatham & Co.

Place: Hyderabad  
Date: 29<sup>th</sup> August, 2016

Sd/-  
Rama Bandaru  
Practicing Company Secretary  
CP No: 7739

\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

**Annexure-A'**

**To  
The Members of Padmalaya Telefilms Limited  
Hyderabad.**

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

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

**For Puttaparthi Jagannatham & Co.**

**Place: Hyderabad  
Date: 29<sup>th</sup> August, 2016**

**Sd/-  
Rama Bandaru  
Practicing Company Secretary  
CP No: 7739**

**Annexure-2**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i. CIN : L92111TG1991PLC013222
- ii. Registration Date : 17/09/1991
- iii. Name of the Company : PADMALAYA TELEFILMS LIMITED
- iv. Category / Sub-Category of the Company : Indian - Non- Govt. Company
- v. Address of the Registered office and contact details : H.NO.8-3-222/1/23,  
Madhura Nagar, YusufGuda,  
Hyderabad - 500038
- vi. Whether listed company Yes / No : Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any : Karvy Computershare Pvt. Ltd.  
Plot No.17-24, VittalRaoNagar,  
Madhapur, Hyderabad - 500 081.  
Ph : 040-44655000, Fax: 040-23420814  
email : einward.ris@karvy.com

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

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

Sl. No.	Name and Description of main products / services	% to total turnover of the company
1	TV Software	11.37%
2	Studios and Equipment	19.92%
3	Film Division	51.30%
4	Animation	17.41%

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

Sl.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary / Associate
1	NA		

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

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical Shares	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	62455	25000	87455	0.51	62455	25000	87455	0.51	---
b) Central Govt									
c) State Govt(s)									

d) Bodies Corp.	1688019	0	1688019	9.93	1688019	0	1688019	9.93	---
e) Banks / FI									
f) Any other									---
<b>(2) Foreign</b>									
a) Individual									
b) Bodies Corp.									---
c) QIB									
<b>Total shareholding of Promoter (A)</b>	<b>1750474</b>	<b>25000</b>	<b>1775474</b>	<b>10.44</b>	<b>1750474</b>	<b>25000</b>	<b>1775474</b>	<b>10.44</b>	<b>---</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									---
b) Banks / FI									---
c) Central Govt									---
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									---
<b>2. Non-Institutions</b>									
a) Bodies Corp.	728438	618100	1346538	18.51	842575	2418100	3260675	19.19	---
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8121145	46851	8167996	48.05	7223726	47951	7271677	42.77	---
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2013761	1335000	3348761	19.70	2792076	1335000	4127076	24.28	---
c) Others (specify)	524054	0	524054	3.08	524054	0	524054	3.08	
Non Resident Indians	36454	0	36454	0.21	39933	0	39933	0.23	---
Overseas Corporate Bodies									---
Foreign Nationals									
Clearing Members	723	0	723	0.01	1111	0	1111	0.01	---
Trusts									
Foreign Bodies - D R									
<b>Sub-total (B)(2):-</b>	<b>11423475</b>	<b>3801051</b>	<b>15224526</b>	<b>89.56</b>	<b>11423475</b>	<b>3801051</b>	<b>15224526</b>	<b>89.56</b>	<b>---</b>

Total Public Shareholding (B)=(B)(1)+ (B)(2)	11423475	3801051	15224526	89.56	11423475	3801051	15224526	89.56	---
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A + B + C)</b>	<b>13173949</b>	<b>3826051</b>	<b>17000000</b>	<b>100</b>	<b>13173949</b>	<b>3826051</b>	<b>17000000</b>	<b>100</b>	<b>---</b>

**ii) 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.	Yamuna Enterprises Pvt Ltd	1673019	9.84	0	1673019	9.84	0	
2.	G Ramesh Babu	50000	0.29	0	50000	0.29	0	
3.	JayadevGalla	25000	0.15	0	25000	0.15	0	
4.	Krishna Productions Pvt Ltd	15000	0.09	0	15000	0.09	0	
5.	G Durgamba	12000	0.07	0	12000	0.07	0	
6.	P Aparna	305	0.00	0	305	0.00	0	
7.	G Parvathi Devi	150	0.00	0	150	0.00	0	

**iii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE**

SN		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
	At the beginning of the year	1775474	10.44	Nil	Nil
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the end of the year	1775474	10.44	Na	NA

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

SN	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Share holding at the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Lime Light Projects India Pvt Ltd	835000	4.91	0	0	835000	4.91
2.	SM Rao	835000	4.91	0	0	835000	4.91
3.	Tabla Entertainment Pvt Ltd	830000	4.88	0	0	830000	4.88
4.	SJ Studio Ltd	750000	4.41	0	0	750000	4.41
5.	Reliance Capital Ltd	511000	3.01	0	0	511000	3.01
6.	V Parag Shah	158976	0.94				
7.	MVRS Suryanarayana	126400	0.74	0	0	126400	0.74
8.	Surendra Kancheti					111206	0.65
9.	Vandanapu Rajendra Kumar					104751	0.62
10.	Aswin Shanthilal Shah					100000	0.59
11.	Sarla Dinesh Kenia	100000	0.59	100000	0.59	100000	0.59
12.	Sarvasetty Sandhya	90000	0.53	90000	0.53	90000	0.53

**Note:** Above transactions are on-line transactions and there is no allotment / physical transfer / bonus/ sweat equity

**v) INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ ACCRUED BUT NOT DUE FOR PAYMENT**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount <b>Rs. In Lakhs</b>	448.78	0	0	448.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii) Rs. In Lakhs</b>	448.78	0	0	448.78
<b>Change in Indebtedness during the financial year</b>	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0	0	0	0
i) Principal Amount <b>Rs. In Lakhs</b>	448.78	0	0	448.78
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii) Rs. In Lakhs</b>	448.78	0	0	448.78

**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 MD/WTD/ Manager		Total Amount (Rs.)
		Mr. GV Narasimha Rao	Mr. S Sreenivasa Rao	
1	Gross salary	6,00,000	5,40,000	11,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	---	---	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	----	----	
2	Stock Option	---	---	
3	Sweat Equity	---	---	
4	Commission - as % of profit - others, specify...	---	---	
5	Others, please specify	90,000	----	90,000
	Total (A)	6,90,000	5,40,000	12,30,000
	Ceiling as per the Act	--	--	--

**B. Remuneration to other directors: NIL**

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

**C. Remuneration to Key Managerial 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	----	----	----	----
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	----	----	----	----
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	----	----	----	----

2	Stock Option	----	----	----	----
3	Sweat Equity	----	----	----	----
4	Commission	----	----	----	----
	- as % of profit	----	----	----	----
	others, specify...	----	----	----	----
5	Others, please specify	----	----	----	----
	Total	----	----	----	----

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**MEDIA AND ENTERTAINMENT INDUSTRY OVERVIEW**

As per the Indian Brand Equity Foundation Report, the Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy and is making high growth strides. The Indian M&E industry is on the cusp of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. The industry has been largely driven by increasing digitisation and higher internet usage over the last decade. Internet has almost become a mainstream media for entertainment for most of the people.

The Indian media & entertainment sector is expected to grow at a Compound Annual Growth Rate (CAGR) of 13.9 per cent year-on-year by 2019. India's Digital Advertising market has grown at a fast pace of 33 per cent annually between 2010 and 2015, while the spend as a percentage of total advertising increased to 13 per cent in 2015. In 2015, the overall Media and Entertainment industry grew 11.7 per cent over 2014. The largest segment, India's television industry, is expected to maintain its strong growth momentum led by subscription revenues, representing a year-on-year growth of about 13.2 per cent in 2015. The Indian Media and Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 81,600 crore in 2019.

**COMPANY'S PERFORMANCE**

Business Performance Review and Out-look for the current year

During the year under review, the Company has reviewed all its business divisions and the company has been concentrating in activities like multimedia and Film Production tie ups with experts in the market and your company's performance will be encouraging in the years to come.

**PRINCIPAL RISKS AND UNCERTAINTIES**

**Piracy:** Piracy of the produced content, under the purview of intellectual property rights, can adversely affect revenues and profitability.

**Mitigation:** Industry members have set up an Antipiracy Society (AACT) to fight the menace.

## REPORT ON CORPORATE GOVERNANCE

**Padmalaya Telefilms Limited** is committed to the standards of corporate governance in all activities. Pursuant to Clause 49 of the Listing Agreement, your directors present below a detailed Report on Corporate Governance.

### 1. Company's Philosophy on code of Governance

Your company believes in providing highest transparency and ethical value in Corporate Governance. Your Company also believes in taking into confidence all the stakeholders viz., Shareholders, Employees, Creditors, Customers etc. Your company is committed to take the torch of Corporate Governance forward, so that every stakeholder of the company synchronise and synergise their efforts in their growth of their company.

### 2. Board of Directors

#### a. Composition of the Board

The number of the Directors is 5 comprises of 2 Executive and 3 Non Executive Independent Directors. Out of two Executive Directors, one is from the promoter category and, other Non-Executive Directors are independent. The independent Directors are drawn from persons with experience in Business, Finance, Management, Marketing and Industry.

#### b. Other Directorship / Committee Memberships held :-

S. No.	Name of Director	Category	Designation	Director Ship held in other Companies	
				Director	Committee Member
1	Bijay Kumar Khemka	Independent	Chairman	4	Nil
2	G.V.Narasimha Rao	Promoter Executive	Executive Director	1	Nil
3	S.Sreenivasa Rao	Non Promoter Executive	Director- Works	2	Nil
4	Dr D.V.N.Raju	Independent	Director	Nil	Nil

#### c. Board Meetings held During the Year

S.No	Date of Board Meeting
1	30/05/2015
2	14/08/2015
3	14/11/2015
4	14/02/2016

#### d. Attendance of Directors at board Meetings and Last Annual General Meeting:

Name of The Director	No of Board Meetings Attended	Attendance at Last AGM
Bijay Kumar Khemka	4	Yes
G.V.Narasimha Rao	4	Yes
S.Sreenivasa Rao	4	Yes
Dr D.V.N. Raju	4	Yes

### 3. Audit Committee

#### a) Terms of Reference

The Audit Committee Provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit committee acts as a link between the Management, Statutory Auditors, and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 177 of the Companies Act, 2013. The Broad terms of reference of the Audit committee are to review with the Management and/or Statutory Auditors in the following areas.

- I. Overview of Company's financial reporting process and financial disclosures.
- II. Review with Management, external and internal audits, the adequacy of internal control systems.
- III. Review the adequacy and effectiveness of accounting and financial controls of the company, compliance with the company's policies and applicable laws and regulations.
- IV. Review with Management, the Annual financial statement before submission to the Board.
- V. Recommending the appointment/removal of external auditors, fixation of Audit fees.

#### b) Composition, names of the members and chairman

During the period under review, the Audit Committee was reconstituted due to the resignation of Mr. V Srihari, Chairman of Audit Committee. The Audit Committee of the Company re-constituted during the year comprises three members. All the members of the Committee are "Independent" Directors. Audit Committee consists of the following members:

- |                          |   |          |
|--------------------------|---|----------|
| 1. Dr D.V.N. Raju        | - | Chairman |
| 2. Bijay Kumar Khemka    | - | Member   |
| 3. S.SSreenivasa Rao Rao | - | Member   |

#### c) Meetings and Attendance during the year

Name of Director	No. of Meetings held	No. of Meetings Attended
Dr D.V.N. Raju	4	4
Sri.Bijay Kumar Khemka	4	4
S.Sreenivasa Rao	4	4

#### c. Audit Committee Meetings held During the Year

S.No	Date of Board Meeting
1	30/05/2015
2	14/08/2015
3	14/11/2015
4	14/02/2016

### 4. Remuneration Committee

During the period under review, the Committee was reconstituted due to the resignation of Mr. V Srihari, Member of the Committee. The Committee of the Company re-constituted during the year comprises three members. All the members of the Committee are "Independent" Directors. The Committee consists of the following members:

The Remuneration Committee recommends the company policy on all elements of remuneration of Executive Directors.

The Remuneration Committee comprises the following Directors:

Bijay KumarKhemka	- Chairman
Dr D.V.N. Raju	- Member
S Sreenivasa Rao	- Member

Details of Remuneration to the Executive Directors paid/ payable for the financial year 2015-16 is as follows: Rs.lakhs

Particulars	G.V. Narasimha Rao Executive Director	S.Sreenivasa Rao Whole Time Director
Salary	6.00	5.40
HRA	0.90	—
Total	6.90	5.40

Non Executive Directors have been paid sitting fees for attending Board and Committee Meetings.

#### 5. Share Holders /Investors Grievance Committee

As a measurement of Good Corporate Governance and to focus on the shareholder's grievance and towards strengthening investor relations, an Investor's Grievance Committee has been constituted assub committee of the Board.

In Pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duty Amended), the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorized the Committee to implement and monitor the various requirements as set out in the code.

The Board has designated the Executive Director, as the Compliance Officer.

a) The function of the Committee include:

To specifically look into redressing investor's grievance pertaining to:

1. Transfer of shares
2. Dividend
3. Dematerialisation of Shares
4. Replacement of lost/stolen/mutilated share certificates.
5. Non-receipt of rights/bonus/split shares certificates
6. Any other related issues

b) Re-Constitution and composition

Your company has constituted the investor's grievance committee, with three directors under the Chairmanship of Non Executive Director, as follows:

Dr. D.V.N.Raju	-	Chairman
Mr. Bijay Kumar Khemka	-	Member
Mr. S Sreenivasa Rao	-	Member

c) Mr. M.V.R.S. Suryanaraya, Executive of the Company is acting as compliance officer

## 6. Investor Complaints Received and resolved during the Year 2015-2016

Nature of Complaints	Received	Resolved	Pending
A. Non-receipt of Dividend Warrants	Nil	Nil	Nil
B. Non receipt of Annual Reports	13	13	Nil
C. Non Receipt of share Certificates	2	2	Nil

## 7. General Body Meetings

Details of Location and time of the Last three Annual General Meetings of the Company.

AGM No.	Financial Year	Date	Time	Venue
24th	31.03.2015	30.09.2015	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
23rd	31.03.2014	30.09.2014	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
22nd	31.03.2013	29.09.2013	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033

- Details of Location and time of the Last three Annual General Meetings of the Company.
- One Special Resolutions passed during the previous year to adopt the Articles of Association of the company to commensurate with the provisions of Companies Act 2013
- During the year no Extra-ordinary General Meetings were held.
- During the year no resolutions were passed through postal ballot.

## 8. Disclosures

- The Executive Director and Vice President (F&A) have given a certificate to the Board as contemplated in Clause 49 of the Listing Agreement and is enclosed at the end of the report.
- During the Financial year 2015-16, there is no related party transaction as required to be disclosed under the provisions of companies Act 2013, except payment of remuneration to managerial personnel.
- The company has complied with the requirements of regulatory authorities on capital market and no penalties/strictures have been imposed against it in the last three years.

## 9. Means of Communication

Pursuant to the Listing Agreement, Financial Results are generally published in National news papers like Financial Express, Business Standard, Indian Express and in Regional Language newspapers like Andhra Bhoomi, Vaartha, Andhra Prabha etc. As the results of the company are published in newspapers and submitting to the stock exchanges immediately after the Board Meeting, the same are not send to the each household of shareholder.

## General Share Holders Information

### 1. Annual General Meeting :

Date	:	30.09.2016
Time	:	9.30 AM.
Venue	:	State Gallery of Fine Arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad-500 033

### 2. Financial Calendar :

Financial Reporting for:

Quarter ending June, 30 2015	:	Board meeting held on 13 <sup>th</sup> August, 2016
Quarter ending September, 30 2015	:	Second Week of November, 2016
Quarter ending Decemeber, 31 2015	:	Second Week of February, 2017
Quarter ending March, 31 2016	:	Last Week of May, 2017
Annual General Meeting (Next year)	:	Last week of September, 2017

### 3. Date of Books Closure :

24/09/2016 to 30/09/2016  
(Inclusive of both days)

### 4. Listing on Stock Exchanges :

The Bombay Stock Exchange Limited, Mumbai  
National Stock Exchange of India Limited, Mumbai

### 5. Listing Fee :

Listing fee for the year 2016-17 has been paid.

### 6. Stock Code :

BSE :- 532350  
NSE :- PADMALAYAT

### 7. Market Price Data: Monthly High and Low quotations of shares traded on the Bombay Stock Exchange, from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016 are as stated hereunder.

Year 2015-16	BSE Ltd	
	High	Low
January, 2015	1.5	1.25
February, 2015	1.49	1.15
March, 2015	1.48	1.15
April, 2015	1.56	1.06
May, 2015	1.16	0.91
June, 2015	1.28	0.94
July, 2015	2.04	1.17
August, 2015	3.94	2.14
September, 2015	2.85	2.05
October, 2015	2.47	2
November, 2015	2.46	2.07
December, 2015	2.42	1.85
January, 2016	2.31	1.71
February, 2016	1.9	1.33
March, 2016	1.53	1.14

- The Trading of Company shares in National Stock Exchange of India Limited has been suspended.

**8. Share Transfer Agents :** Karvy Computershare Pvt. Ltd.  
Plot No.17-24, Vittal Rao Nagar, Madhapur,  
Hyderabad - 500 081.  
Ph: 040-44655000, Fax: 040-23420814  
email: einward.ris@karvy.com

**9. Share Transfer System**

The Share Transfers, both physical and demat form, are done by the Registrar and Share Transfer Agents i.e., M/s.Karvy Computer share Pvt. Ltd. Hyderabad. The requests received for transfer of shares in physical form are generally completed within the stipulated time.

**10. Distribution of Shareholding: As on 31-03-2015**

Category		No. of Share Holders	% of Share Holders	Amount Rs.	% of Amount
From	To				
1	5000	10,070	76.11	1,84,64,870	10.86
5001	10000	1,526	11.53	1,31,05,340	7.71
10001	20000	754	5.70	1,18,98,740	7.00
20001	30000	292	2.21	75,70,540	4.45
30001	40000	130	0.98	46,80,480	2.75
40001	50000	135	1.02	65,02,190	3.82
50001	100000	174	1.32	1,26,59,120	7.45
100000	and above	150	1.13	9,51,18,720	55.95
<b>Total</b>		<b>13,231</b>	<b>100.00</b>	<b>17,00,00,000</b>	<b>100.00</b>

**11. Dematerialisation of Shares and Liquidity**

As per notification issued by SEBI, Trading in Equity Shares of the company is permitted only in dematerialised form for all categories of investors.

The International Securities Identification Number (ISIN) of the Company, as allotted by NSDL and CDSL, is ISIN Number ISIN 243B01016.pad

Details of Shares Dematerialised as on 31/03/2016

Particulars	No. of Shares	% of Share Capital
NSDL	93,89,689	55.23
CDSL	37,85,360	22.27
Physical	38,24,951	22.50
<b>TOTAL</b>	<b>1,70,00,000</b>	<b>100.00</b>

**12. Outstanding GDR/warrants and**

**Convertible or Any Convertible Instruments :** Not Applicable

**13. Works Location**

Integrated Television, Shooting Studio : Plot No - 138,H.No.8-3-222/1/23  
2D/3D Animation Studio : Madhuranagar, Yousufguda  
Hyderabad - 500 038.

Feature Film Distribution Offices

- a) Hyderabad : # 7-3-697, Rashtrapathi Road,  
Secunderabad -500 003.
- b) Kolkata : 48, Chitranjan Avenue,  
Kolkata – 700 012
- c) Vijayawada : # 26-9-23, Bhagyachandra Towers,  
Ramarao Street, Gandhi Nagar,  
Vijayawada – 520 002

**14. Address for Correspondence** : Padmalaya Telefilms limited  
Regd & Administrative Office,  
Plot No - 138, H.No.8-3-222/1/23  
Madhuranagar, Yousufguda  
Hyderabad - 500 038.  
Ph : 040-23738955  
E-Mail - info@padmalaya.co.in  
E-Mail - padmalayatelefilms@gmail.com

**16. SEBI Complaints Redressal System (SCORES):**

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

**CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND  
CHIEF FINANCIAL OFFICER OF THE COMPANY**

We, G.V.Nasimaha Rao, Executive Director and R.Mahipal Reddy, Vice President (Finance & Accounts) of M/s. PADMALAYA TELEFILMS LIMITED, hereby certify to the Board that :

- a) We have reviewed financial statements and the Cash Flow statement for the year and that to the best of our knowledge and belief:
  - i) These statements do not contain any materially untrue statement for the year or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls in the Company and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operations of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee As:
  - i) There is no changes in internal control during the year,
  - ii) There is no changes in accounting policies during the year,
  - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.
- e) We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct)
- f) We further declare that all Board Members and designated Senior Management have performed compliance with the Code of Conduct for the current year.

Place : Hyderabad  
Date : 29<sup>th</sup> August, 2016

Sd/-  
G.V.Narasimaha Rao  
Executive Director

Sd/-  
R.Mahipal Reddy  
Vice President (F & A)

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members,  
Padmalaya Telefilms Limited  
Hyderabad.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s Padmalaya Telefilms Limited ("the company") for the year ended 31st March, 2016.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance" issued by the Institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance.

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

**For P. MURALI & CO.,**  
Chartered Accountants  
FRN: 007257 S

Sd/-  
**P. MURALI MOHANA RAO**  
Partner  
Membership No. 23412

Place : Hyderabad  
Date : 29<sup>th</sup> August, 2016

## ***Independent Auditors Report***

To  
**The Members of  
Padmalaya Telefilms Limited**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of PADMALAYA TELEFILMS LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2016, 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 and presentation of these standalone 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 Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone 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 financial control relevant to the Company's preparation of the financial statements that give a 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 the Company's 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 aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its Profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further 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 appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' Annexure B'; and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its notes to financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2016.

**For P. MURALI & CO.,**  
Chartered Accountants  
FRN: 007257 S

Sd/-  
**P. MURALI MOHANA RAO**  
Partner  
Membership No. 23412

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

## ***Annexure A to the Auditors Report***

### **Annexure referred to in Independent Auditors Report to the Members of Padmalaya Telefilms Limited financial statements for the year ended 31st March 2016, we report that:**

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

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (Towards Land).
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory has been conducted at reasonable intervals by the management during the year and no material discrepancies were noticed on such verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, and Limited Liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the company.
- iv. The Company has not granted any loans or made any Investments, or provided any guarantee or security to the parties covered under section 185 and 186 of the Act. Therefore, the provisions of clause 3(iv) of the said order are not applicable to the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues in arrears as at 31st March 2016 for a period of more than 6 months for the date they became payable.
- (c) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax and other material statutory dues, as applicable which have not been deposited on account of any disputes.
- viii. In our opinion, and according to the information and explanations given to us, the company has defaulted in repayment of loan to HDFC Banks as an amount of Rs.4.48 Crores.

- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of this clause are not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. The Company has not entered into transactions with related parties in compliance with the provisions of section 177 and 188 of the Act. Hence this Clause is not applicable.
- xiv. The Company has not made any preferential allotment of private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

**for P. MURALI & CO.,**  
Chartered Accountants  
FRN : 007257S

Sd/-

**P. MURALI MOHANA RAO**  
Partner  
Membership No. 23412

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

## ***Annexure B to the Independent Auditor's Report***

### **Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')**

We have audited the internal financial controls over financial reporting of Padmalaya Telefilms Limited ('the company') as of 31st march 2016 in conjunction with our audit of 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 (ICAI). 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 Act.

#### **Auditor's 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed 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 risk 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 and the company's internal financial control 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 these 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 principles,

and that receipts and expenditures of the Company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitation of Internal Financial Controls over Financial Reporting**

Because of the inherent limitation 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 31st, 2016, 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 P. MURALI & CO.,**  
Chartered Accountants  
FRN : 007257S

Sd/-

**P. MURALI MOHANA RAO**  
Partner  
Membership No. 23412

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I EQUITY AND LIABILITIES</b>		<b>Rs.</b>	<b>Rs.</b>
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	<b>169,976,000</b>	169,976,000
b) Reserves and Surples	2	<b>19,094,667</b>	(15,748,224)
<b>2. Non-current liabilities</b>			
a) Long-term borrowings	3	<b>44,878,382</b>	44,878,382
b) Deferred Tax Liabilities /(Asset)	4	<b>1,851,356</b>	1,864,025
c) Other Provisions	5	<b>710,485</b>	15,474,336
<b>3. Current Liability</b>			
(a) Short-term borrowings	6	<b>5,850,000</b>	4,261,044
(b) Trade Payable	7	<b>7,242,688</b>	7,242,688
(c) Other current liabilities	8	<b>36,504,719</b>	46,162,451
(d) Short-term provisions	9	<b>224,555</b>	230,701
<b>Total</b>		<b>286,332,852</b>	<b>274,341,403</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible & Intangible assets	10	<b>14,338,897</b>	14,338,897
(b) Other Non Current Assets	11	<b>128,000</b>	128,000
<b>2. Current assets</b>			
(a) Inventories	12	<b>131,313,770</b>	131,313,770
(b) Trade Receivables	13	<b>57,896,190</b>	63,065,426
(c) Cash and Bank balances	14	<b>1,078,841</b>	43,032
(d) Loan and Advances	15	<b>81,577,154</b>	65,452,278
<b>Total</b>		<b>286,332,852</b>	<b>274,341,403</b>
Summary of Significant Accounting Policies	24		

The Accompanying Notes are an Integral Part of the Financial Statement

As per our Report of Even Date

for PADMALAYA TELEFILMS LIMITED

**For P.Murali & Co.,**

Chartered Accountants

FRN : 007257 S

Sd/-

Sd/-

Sd/-

**P. Murali Mohana Rao**

Partner

Membership No. 023412

Director

Director

Place : Hyderabad

Date : 30<sup>th</sup> May, 2016

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH, 2016**

PARTICULARS	NOTE No.	FOR THE YEAR ENDED 31/03/2016	FOR THE YEAR ENDED 31/03/2015
		Rs.	Rs.
I. Revenue from Operations	16	22,343,066	21,837,111
II. Other Income	17	349,366	271,716
<b>III. Total Revenue</b>		<b>22,692,432</b>	<b>22,108,827</b>
<b>IV. Expenses:</b>			
Cost of Materials consumed	18	15,752,855	13,504,048
Changes in Inventories of Finished goods, WIP and Stock-in-Trade	19	-	-
Employee Benefit expenses	20	2,190,975	2,188,301
Other Operating Expenses	21	326,000	339,596
Administrative Expenses	22	2,173,416	2,354,846
Financial costs	23	-	6,374
Depreciation and amortization expense	10	-	13,180,062
<b>Total Expenses</b>		<b>20,443,246</b>	<b>31,573,227</b>
V. Profit before exceptional and extraordinary items and tax		2,249,186	(9,464,400)
Bad Debts		-	-
VI. Profit before extraordinary items and tax		2,249,186	(9,464,400)
Extraordinary Items		3,566,841	-
Profit Before Tax		5,816,027	(9,464,400)
Tax expense:			
(1) Current tax		-	-
(2) Deferred Tax Asset /(Liability)		12,669	3,313,796
VII. Profit/(Loss) for the period from Continuing Operations		5,828,696	(6,150,604)
Prior Period Adjustment		(29,014,195)	-
		34,842,891	(6,150,604)
Tax Expense of Discounting Operations		-	-
Balance Brought Forward		(860,641,127)	(854,490,523)
Profit/(Loss) from Discontinuing operations			
Profit/(Loss) for the period		(895,484,018)	(860,641,127)
XVII. Earning per equity share:			
(1) Basic		0.13	-
(2) Diluted		0.13	-
Summary of Significant Accounting Policies	24		

The Accompanying Notes are an Integral Part of the Financial Statements

As per our Report of Even Date  
**For P.Murali & Co.,**  
 Chartered Accountants  
 FRN : 007257 S

**For PADMALAYA TELEFILMS LIMITED**

Sd/-  
**P. Murali Mohana Rao**  
 Partner  
 Membership No. 23412

Sd/-  
 Director

Sd/-  
 Director

Place : Hyderabad  
 Date : 30<sup>th</sup> May, 2016

## NOTE NO. 24 : SIGNIFICANT ACCOUNTING POLICIES

### Description of Business:

Padmalaya Telefilms Limited (PTL) is engaged in production of television software, feature films, animation serials, distribution of feature films and also facilities provider in pre-production, production, post-production including 2D & 3D Special effects for television software and feature films, Training in Multi Media Software and Animation. PTL was incorporated on 17th September, 1991 in Hyderabad, Andhra Pradesh, India.

### 1. Preparation of financial statements

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost conversion on accrual basis, except certain tangible assets which are being carried at revalued amounts. Pursuant to section 133 of the Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act 1956, shall continue to apply. Consequently these financial statements have been prepared to comply in all material respects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies Accounting Standards Rules, 2006 as amended) and the relevant provisions of the Companies Act, 2013 ('the Act'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

### 2. Fixed assets and depreciation:

Fixed Assets are stated at their original cost of acquisition, net of accumulated depreciation and CENVAT credit, and include taxes, freight and other incidental expenses related to their acquisition/ construction/ installation. Pre-operative expenses relating to a specific project are capitalized till all the activities necessary to prepare the qualifying asset for its intended use are completed. Expenses capitalized also include applicable borrowing costs. Fixed Assets are impaired when there is no possibility of using them further.

During the year the Company has provided Depreciation on Fixed Assets based on the Useful life in the manner prescribed in Schedule II Part C to the Companies Act, 2013.

### 3. Inventories:

Inventories are valued at cost or net realizable value whichever is lower after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Spares and Consumables are charged off to revenue in the year of purchase. Cost includes the aggregate of all expenditure incurred in bringing the inventories to the present condition and situation.

### 4. Deferred Tax:

Deferred Tax is accounted for by computing the tax effect of timing differences, which arise during the year and reverse in subsequent periods. Deferred Tax assets on accumulated losses and unabsorbed depreciation are recognized only to the extent that there is virtual certainty of realization of such assets in future.

### 5. Revenue recognition:

Sales of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which are generally on handing over of goods / services (in our case). Export sales are recognized on the basis of bill of lading / Airway bill.

### 6. Foreign currency transactions:

Sales/Purchases and revenue income/expenses in foreign currency are booked at exchange rates prevailing on the date of transaction. Gain/loss arising out of fluctuations in exchange based on the rate of realization is accounted for in the profit and loss account as per AS-11.

**7. Taxes on income:**

Provisions for taxation comprises of current tax, deferred tax. Current tax provision has been made on the basis of reliefs and deductions available under the income tax act, 1961. Deferred tax resulting from "timing Differences" between taxable income and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted on balance sheet date. No deferred tax assets were found and recognized. The fringe benefits tax has been calculated and accounted for in accordance with the provisions of the income tax act, 1961. (In line with AS-22)

**8. Employee Benefits:**

Staff benefits arising out of retirement/death, comprising of contributions to provident fund, superannuation and gratuity schemes, accrued leave encashable and other post separation benefits are accounted for on the basis of an independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

**9. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized to profit and loss account in the year in which they are incurred. (In line with AS-16).

**10. Provisions, Contingent liabilities and contingent Assets:**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized. (In line with AS-29)

**11. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. However, no such indications were observed. Company has not even observed any such indication during previous accounting years and no impairment loss was provided during that year. So, no question of reversal of previously recognized impairment loss during current year. (in line with AS-28).

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31/03/2016

	PARTICULARS	2015-16	2014-15
<b>I.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	<b>Rs.</b>	<b>Rs.</b>
	Net Profit/( Loss) before Tax & Extraordinary Items	2,249,186	(9,464,400)
	Add: Depreciation	-	13,180,062
	<b>Operating Cash Flows before Working Capital Changes &amp; Extraordinary Items</b>	<b>2,249,186</b>	<b>3,715,662</b>
	<b>ADJUSTMENT FOR WORKING CAPITAL CHANGES:</b>		
	Decrease/(Increase) in Inventory	-	-
	Decrease/(Increase) in Trade Receivables	5,169,236	(7,971,185)
	Decrease/(Increase) in Loans & Advances	(16,124,876)	1,799,157
	Increase/(Decrease) in Trade Payables	-	-
	Increase/(Decrease) in Short Term Borrowings	1,588,956	771,044
	Increase/(Decrease) in Other Current Liabilities	(9,657,732)	1,764,205
	Increase/(Decrease) in Short Term Provisions	(6,146)	(80,070)
	<b>Operating Cash Flows After Working Capital Changes but before adjustment for Extraordinary Items &amp; Prior Period Items</b>	<b>(16,781,376)</b>	<b>(1,187)</b>
	Add/(Less) Adjustment for Extraordinary & Prior Period items	32,581,036	-
	<b>Net Cash Used in Operating Activities (I)</b>	<b>15,799,660</b>	<b>(1,187)</b>
<b>II.</b>	<b>Cash Flow from Investing Activities:</b>		
	Decrease/( Increase ) In Non Current Assets	-	-
	<b>Net Cash Used in Investment Activities (II)</b>	<b>-</b>	<b>-</b>
<b>III.</b>	<b>Cash Flow from Financing Activities:</b>		
	Increase/(Decrease) In Long Term Borrowings	-	-
	Increase/(Decrease) In Non Current Liabilities	(14,763,851)	(41,231)
	<b>Net Cash Flow from Financing Activities (III)</b>	<b>(14,763,851)</b>	<b>(41,231)</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>43,032</b>	<b>85,450</b>
	Net Cash Used During the Year	1,035,809	(42,418)
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>1,078,841</b>	<b>43,032</b>

As per our Report of Even Date

For and on behalf of the Board of Directors

For P.Murali & Co.,  
Chartered Accountants  
FRN : 007257 S

Sd/-  
**P. Murali Mohana Rao**  
Partner  
Membership No. 23412

Sd/-  
Director

Sd/-  
Whole Time Director

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2016

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**Note No.1: SHARE CAPITAL**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
<b>A.</b>	<b>Equity Share Capital</b>	<b>Rs.</b>	<b>Rs.</b>
	(a) Authorised (No. of Shares 2,00,00,000 of Rs.10/- each Current Year) (No. of Shares 2,00,00,000 of Rs.10/- each Preious Year)	<b>200,000,000</b>	200,000,000
	(b) Issued (No. of Shares 1,70,00,000 each Current Year) (No. of Shares 1,70,00,000 each Preious Year)	<b>170,000,000</b>	170,000,000
	(c) Subscribed & Fully Paid Up (No. of Shares 1,69,95,200 each Current Year ) (No. of Shares 1,69,95,200 each Preious Year)	<b>169,952,000</b>	169,952,000
	(d) Subscribed & not fully paid up (No. of Shares 4,800 each Current Year ) (No. of Shares 4,800 each Preious Year)	<b>24,000</b>	24,000
	(e) Par Value per share Rs. 10/-		
	<b>Total Equity Share capital</b>	<b>169,976,000</b>	<b>169,976,000</b>
<b>B.</b>	<b>Calls unpaid :</b>		
	Equity Shares		
	By Directors & Officers	-	-
	By Others	<b>24,000</b>	24,000
<b>C.</b>	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b>		
	Equity Shares of Rs.10Each, Fully paid up		
	At the Beginning	<b>17,000,000</b>	17,000,000
	Issued during the year - Cash Issue	-	-
	Forfeited / Bought Back during the year	-	-
	At the end	<b>17,000,000</b>	<b>17,000,000</b>
<b>D.</b>	<b>Details of Shareholder holding more than 5% shares of the company:</b>	<b>% of Share Holding</b>	
	Equity Shares of Rs. 10 each Held By		
	Yamuna Enterprises (P) Ltd.		
	- Current Year No. of Shares - 16,70,019	<b>10</b>	10
	- Previous Year No. of Shares - 16,70,019		

Note : During the current year there is no fresh issue of shares.

**NOTE NO. 2 : RESERVES AND SURPLUS**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
<b>I</b>	<b>RESERVES AND SURPLUS</b>	<b>Rs.</b>	<b>Rs.</b>
	a) Securities Premium Reserve		
	As at the commencement of the year	756,608,703	756,608,703
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		<b>756,608,703</b>	<b>756,608,703</b>
	b) General Reserves		
	As at the commencement of the year	88,284,200	88,284,200
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		<b>88,284,200</b>	<b>88,284,200</b>
	c) Surplus :		
	i) Opening Balance - Profit and Loss Account	(860,641,127)	(854,490,523)
	Add: Transfer from Profit & Loss Account	34,842,891)	(6,150,604)
		<b>(825,798,236)</b>	<b>(860,641,127)</b>
<b>II</b>	A Reserve specifically represented by earmarked investments	-	-
	<b>Total Reserves and Surplus</b>	<b>19,094,667</b>	<b>(15,748,224)</b>

**NOTE NO. 3: LONG TERM BORROWINGS**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
<b>I</b>	<b>Long Term Borrowings</b>	<b>Rs.</b>	<b>Rs.</b>
		-	-
	a) Term Loans		
	From Banks	44,878,382	44,878,382
	<b>Total Long Term Borrowings</b>	<b>44,878,382</b>	<b>44,878,382</b>

**Note:** Term Loan of Rs.448.78 Lakhs (Previous year Rs.448.78 Lakhs) from HDFC Bank, Mumbai is secured by fixed and Current Assets of the Company. The Executive Director and chief promoter have given their personnel guarantees to the Bank in their personal capacity.

**NOTE NO. 4 : DEFERRED TAX LIABILITY (NET)**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
	Opening Deferred Tax Asset / (Liability)	(1,864,025)	(5,177,821)
	Deferred Tax Asset / (Liability) Due to Timing Difference on Depreciation	-	3,304,364
	Deferred tax Asset on Provision for Gratuity and Compensated Absences	12,669	9,432
	Gross Deferred Tax Asset	(1,851,356)	(1,864,025)
	Less: Deferred Tax Provision Reversal - Prior Period Item	-	-
	<b>Deferred Tax (Liability)/ Asset - Net</b>	<b>(1,851,356)</b>	<b>(1,864,025)</b>

**NOTE NO. 5 : OTHER PROVISIONS**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	a) Provisions for Employee benefits		
	- Provision for Gratuity	524,075	500,575
	- Provision for Leave Encashment	114,410	96,910
	b) Others	72,000	14,876,851
	<b>Total Long Term Provisions</b>	<b>710,485</b>	<b>15,474,336</b>

**NOTE NO. 6 : SHORT TERM BORROWINGS.**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	Short Term Borrowings	-	-
	a) Other Loans repayable on demand		
	Un Secured	-	-
	From Others	5,850,000	4,261,044
	<b>Total Short Term Borrowings</b>	<b>5,850,000</b>	<b>4,261,044</b>

**NOTE NO. 7 : TRADE PAYABLES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	a) Trade Payables	7,242,688	7,242,688
	b) Dues to Micro & Small Medium Enterprises	-	-
	<b>Total Trade Payables</b>	<b>7,242,688</b>	<b>7,242,688</b>

**NOTE NO. 8 : OTHER CURRENT LIABILITES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	a) Other Payables	36,504,719	46,162,451
	<b>Total Other Current Liabilites</b>	<b>36,504,719</b>	<b>46,162,451</b>

**NOTE NO. 9 : SHORT TERM PROVISIONS**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	a) Provisions for employee benefits		
	ESI & PF Payable	5,775	5,775
	Salaries Payable	69,170	94,716
	b) Others		
	Statutory Liabilities	68,610	66,510
	TDS Payable	81,000	63,700
	<b>Total Short Term Provisions</b>	<b>224,555</b>	<b>230,701</b>

**NOTE NO. 10 : TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2015**

Sl. No.	Particulars	Gross Block						Depreciation/Amortization				Net Block as on 31.03.2015	Net Block as on 31.03.2016
		As on 01.04.2015	Additions during the year	Sale/ Deletions during the year	As on 31.03.2016	Dep. As on 01.04.2015	Dep. For the year 2015-2016	Total Depreciation					
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Tangible Fixed Assets:												
1	Land	14,338,897	-	-	14,338,897	-	-	-	-	-	-	14,338,897	-
2	Plant & Machinery	284,207,430	-	-	284,207,430	284,207,430	-	284,207,430	-	-	284,207,430	-	-
3	Other Assets	10,943,868	-	-	10,943,868	10,943,868	-	10,943,868	-	-	10,943,868	-	-
4	Office Equipment	5,688,216	-	-	5,688,216	5,688,216	-	5,688,216	-	-	5,688,216	-	-
5	Furniture	2,664,181	-	-	2,664,181	2,664,181	-	2,664,181	-	-	2,664,181	-	-
6	Vehicles	1,853,083	-	-	1,853,083	1,853,083	-	1,853,083	-	-	1,853,083	-	-
	Total	319,695,675	-	-	319,695,675	305,356,778	-	305,356,778	-	-	305,356,778	-	14,338,897

Note: Depreciation:

- a. Depreciation is provided on Straight line method as per Schedule XIV of the Companies Act, 1956.
- b. Other Assets include Ornaments, Costumes, Library Etc.

**NOTE NO. 11 : OTHER NON CURRENT ASSETS**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	<b>Security Deposit:</b>		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	128,000	128,000
	Doubtful	-	-
	Less: Provision for Bad & doubtful Security Deposit	-	-
	<b>Total other non current assets</b>	<b>128,000</b>	<b>128,000</b>

**NOTE NO. 12: INVENTORIES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
	<b>a) Work - In - Progress</b>		
	Closing Stock	33,382,134	14,577,696
	Software under Production	73,385,497	73,385,497
	Projects on Hand	24,546,139	43,350,577
	<b>Total Inventories</b>	<b>131,313,770</b>	<b>131,313,770</b>

**NOTE NO. 13 : TRADE RECEIVABLES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I.	Outstanding for a period exceeding six months from the date they are due for payment		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	4,599,715	4,949,085
	Doubtful	-	-
		4,599,715	4,949,085
	Less: Allowance for Bad & Doubtful Debts	-	-
		4,599,715	4,949,085
	Other Receivables:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	53,296,475	58,116,341
	Doubtful	-	-
		53,296,475	58,116,341
	Less : Allowance for bad & doubtful debts	-	-
		53,296,475	58,116,341
	<b>Total Trade Receivables</b>	<b>67,896,190</b>	<b>63,065,426</b>

**NOTE NO. 14 : CASH AND BANK BALANCES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		<b>Rs.</b>	<b>Rs.</b>
I	Cash and cash equivalents :		
	a) Balances with banks :		
	1) On Current Accounts	1,046,356	28,496
	b) Cash on hand	32,485	14,536
	<b>Total Cash and Cash Equivalents</b>	<b>1,078,841</b>	<b>43,032</b>

**NOTE NO. 15: LOANS AND ADVANCES**

S.No.	Particulars	As on 31-03-2016	As on 31-03-2015
		Rs.	Rs.
I	<b>Other Loans &amp; Advances:</b>		
	Unsecured, Considered Good		
	Prepaid Expenses	1,460,136	1,177,060
	Loans Receivables	74,570,181	58,728,381
	Advances Recoverable in Cash or in kind	5,546,837	5,546,837
	<b>Total Short Term Loans and Advances</b>	<b>81,577,154</b>	<b>65,452,278</b>

**NOTE NO. 16: REVENUE FROM OPERATIONS**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
I.	Revenue from operations in respect of non-finance company	Rs.	Rs.
	a) Sale of Products	22,343,066	21,837,111
	<b>Total Revenue from Operations</b>	<b>22,343,066</b>	<b>21,837,111</b>

**NOTE NO. 17 : OTHER INCOME**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	Other non-operating income	349,366	271,716
	<b>Total Other Income</b>	<b>349,366</b>	<b>271,716</b>

**NOTE NO. 18: COST OF MATERIALS CONSUMED**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	Production Expenditure	15,752,855	13,504,048
	<b>Total Cost Of Material Consumed</b>	<b>15,752,855</b>	<b>13,504,048</b>

**NOTE NO. 19 : CHANGE IN INVENTORIES, FINISHED GOODS & WIP.**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	Software Under Production		
	Inventories at the beginning of the year	131,313,770	131,313,770
	Less : Inventories at the end of the year	131,313,770	131,313,770
	<b>(Increase) / Decrease in Inventories</b>	<b>-</b>	<b>-</b>

**NOTE NO. 20: EMPLOYEE BENEFIT EXPENSES**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	(a) Salaries & Wages	864,000	871,700
	(b) Contribution to Provident & Other Funds	51,372	45,926
	(c) Managerial Remuneration	1,230,000	1,230,000
	(d) Staff Welfare Expenses	45,603	40,675
	<b>Total Employee Benefit Expenses</b>	<b>2,190,975</b>	<b>2,188,301</b>

**NOTE NO. 21: OTHER OPERATING EXPENSES**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	(a) Rent	156,000	158,400
	(b) Payment to Auditors:		
	(i) As Audit fee	59,400	59,400
	(ii) For Taxation Matters	48,400	48,400
	(iii) For Other Services	18,700	15,796
	(c) Internal Auditors Remuneration	43,500	60,000
	<b>Total Other Expenses</b>	<b>326,000</b>	<b>339,596</b>

**NOTE NO. 22: ADMINISTRATIVE EXPENSES**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	(a) Telephone, Postage and Others	69,573	32,238
	(b) Business Promotion Expenses	98,563	104,580
	(c) Conveyance	259,216	256,201
	(d) Office Maintenance	260,264	184,504
	(e) Printing & Stationery Expenses	32,789	2,836
	(f) Professional Consultancy fee	90,847	113,540
	(g) Director Sitting Fee	-	18,000
	(h) Licenses Fee and Taxes	5,500	-
	(i) AGM & EGM Expenses	853,682	569,331
	(j) Share Transfer Expenses	-	389,184
	(k) Subscription, Membership and corporate bodies	392,112	369,637
	(l) Legal Expenses	110,870	212,270
	(m) Gratuity, Bonus and leave encashment	-	102,525
	<b>Total Administrative Expenses</b>	<b>2,173,416</b>	<b>2,354,846</b>

**NOTE NO. 23 : FINANCIAL COST**

S.No.	Particulars	Year Ended 31-03-2016	Year Ended 31-03-2015
		Rs.	Rs.
I	- Bank Charges	-	6,374
	<b>Total Financial Cost</b>	<b>-</b>	<b>6,374</b>

**NOTES ON ACCOUNTS:**

**25 Share Capital**

Company is having existing Equity share capital to the extent of 1,70,00,000 Shares @ Rs.10/- each fully subscribed as on 01.04.2014 and no further issue of shares during the year under review.

**26. Secured Loans:**

Term Loan of Rs.448.78 Lakhs (Previous year Rs.448.78 Lakhs) from HDFC Bank, Mumbai is secured by fixed and Current Assets of the Company. The Executive Director and chief promoter have given their personnel guarantees to the Bank in their personal capacity.

**27. Depreciation:**

- During the year the Company has provided Depreciation on Fixed Assets based on the Useful life in the manner prescribed in Schedule II Part C to the Companies Act, 2013.
- Other Assets include Ornaments, Costumes, Library Etc.

**28. Segment Reporting:**

The Company operates in four segments, T.V.Software, Infrastructure, Films and Animation. Segments wise operational information have been reported based on the guiding principles of Accounting Standard 17 (A.S.17) issued by the Institute of Chartered Accountants of India.

Financial information about the business segments is presented in the table given below:

Segment Wise Results:

Particulars	Rs. In Lakhs	
	For the year 2015-2016	For the year 2014-2015
<b>1. Segment Revenue / Income</b>		
T.V.Software	25.40	22.41
Integrated Communication Group	44.51	40.57
Films	114.63	118.56
Animation	38.89	36.83
Total	218.37	218.37
Less: Inter Segmental Revenue	-	-
Total Revenue from Operations	223.43	218.37
<b>2. Segment wise Profit / (Loss) before Tax and interest</b>		
T.V.Software	1.33	(30.23)
Integrated Communication Group	9.25	(22.55)
Films	11.78	(14.12)
Animation	9.25	(18.41)
Total	31.68	(85.31)
Add: Un-allocable Income net off		
Un-allocable expenditure	9.19	9.33
<b>Profit before Tax and Prior period expenditure</b>	22.49	(94.64)

Revenue and expenses in relation to segments is categorized based on items that are individually identifiable to that segment.

Expenses like Depreciation have been segregated among the segments according to the period of usage of Fixed Assets by the Segments. However, the Management believes that it is not practicable to provide segment wise capital employed, as the Assets are being used interchangeably by different segments.

**29. Details of Related Party Transactions**

Name of the Party	Relationship
Padmalaya Studios LLP	- Controlled by key managerial personnel
Yamuna Enterprises Private Limited	- Controlled by key managerial personnel
Green Chillies entertainment (P) Ltd.	- Controlled by key managerial personnel
Sri Geethika Films & Media Ltd.,	- Controlled by key managerial personnel
Transaction details	- Nil

### 30. Managerial Remuneration

(Rs. In lakhs)

Particulars	31-03-2016	31-03-2015
Salaries	11.40	11.40
Perquisites & Allowances	0.90	0.90
Total	12.30	12.30

### 31. Auditors Remuneration

(Rs. In lakhs)

Particulars	31-03-2016	31-03-2015
Statutory Audit Fees	0.60	0.60
Tax Audit Fees	0.30	0.30
Certification Fees	0.13	0.13
Others	0.24	0.21
Total	1.27	1.24

### 32. Disclosures as required under Accounting Standard AS-15

Retirement benefits to employees The Company has made provision based on Actuarial Valuation in respect of Gratuity and Leave Encashment as per AS 15. The details are as follows:

(Rs. In lakhs)

Particulars	31-03-2016	31-03-2015
Gratuity	0.12	0.12
Leave Encashment	0.19	0.19

Expenses: This is the profit and loss charges for the accounting period, and comprises the sum of the service and Recognized in interest costs less the expected returns on assets, adjusted for Actuarial Gain/Loss recognized for the P& L A/C.

Contributions are made to Recognized Provident fund / Government Provident Fund, Family pension Fund, ESIC and other Statutory Funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC, contribution to the Family pension Fund is made only by the Company. The contributions are normally based on a certain proportion of the employee's salary.

(Rs.in Lakhs)

Particulars	31-03-2016	31-03-2015
Contribution to Provident fund	0.45	0.39
Contribution to Employee State Insurance Scheme (ESI)	0.07	0.07

In respect of Gratuity, Company made necessary provision. Provision for Gratuity is based on actuarial valuation done by independent actuary as at the year end. Actuarial valuation for compensated absences is done as at year end and the provision is made as per Company rules and its cover all regular employees. Major drivers in actuarial assumption, typically are years of service and employee compensation. After the issuance of the Accounting Standard 15 on "Employee Benefits" commitments are actuarially determined using the "Projected Unit Credit" method. Gains and losses on changes in actuarial assumptions are accounted for in the Profit and Loss account.

**33. Foreign exchange inflow and Outflow**

- a) Foreign exchange inflow - Nil (Previous Year - Nil)
- b) Foreign exchange outflow - Nil (Previous Year - Nil)

**34. Contingent Liabilities**

The company's has filed appeal before Hon'ble Commissioner of Income Tax (Appeals), Hyderabad against the demand of Income Tax amounting to Rs.1.50 crores for the Assessment years 2003-2004 and the same is disposed - off in favour of the company.

**35. Legal cases:**

- a. M/s Data Soft, Mumbai filed recovery petition against the company for recovering its dues to the tune of Rs. 2.52 lakhs. The company negotiating with the party for settlement.
- b. HDFC bank has filed a case against the Company for recovery of secured loan given to the Company for due amount in DRT. Further the company has been approached with bank for one time settlement and still it is pending for consideration. The Company has not provided the interest on loan outstanding for the financial year 2015-2016.

**36.** Balances of Sundry debtors/creditors, loans are subject to Confirmations.

**37.** There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

**38.** Previous years' figures are restated/regrouped/rearranged wherever necessary in order to confirm to the current years' grouping and classifications.

**39.** Figures have been rounded off to the nearest rupee.

Signatures to the notes no.1 to 38

As per our report of even date

**for and on behalf of the Board**

**For P.Murali & Co.,**  
Chartered Accountants  
FRN: 007257 S

Sd/-

**P.Murali Mohana Rao**  
Partner  
Member Ship No. 23412

Sd/-  
Director

Sd/-  
Whole Time Director

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2016

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### 1 Registration Details

CIN No. 

L	9	2	1	1	1	T	G	1	9	9	1	P	L	C	0	1	3	2	2	2
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Balance Sheet 

3	1	0	3	2	0	1	6
Date		Month		Year			

### 2 Capital Raised During The Year (Amount Rs. In thousands)

Public Issue 

N	I	L
---	---	---

 Rights Issue 

N	I	L
---	---	---

Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

### 3 Position of Mobilisation and deployment of funds (Amount Rs. In thousands)

Total Liabilities 

2	3	5	8	0	0
---	---	---	---	---	---

 Total Assets 

2	3	5	8	0	0
---	---	---	---	---	---

#### Sources of Funds

Paid-Up Capital 

1	6	9	9	7	6
---	---	---	---	---	---

 Reserves & Surplus 

		1	9	0	9	5
--	--	---	---	---	---	---

Secured Loans 

		4	4	8	7	8
--	--	---	---	---	---	---

 Differed tax lia. 

			1	8	5	1
--	--	--	---	---	---	---

#### Application Funds

Net Fixed Assets 

		1	4	3	3	9
--	--	---	---	---	---	---

 Investments 

					N	I	L
--	--	--	--	--	---	---	---

Net Current Assets 

		2	2	1	1	3	1
--	--	---	---	---	---	---	---

Accumulated Losses 

N	I	L
---	---	---

### 4 Performance of the Company (Amount Rs. In Thousand)

Turn Over 

		2	2	6	9	2
--	--	---	---	---	---	---

 Total Expenditure 

		2	0	4	4	3
--	--	---	---	---	---	---

Loss Before Tax 

			2	2	4	9
--	--	--	---	---	---	---

 Loss After Tax 

			2	2	6	2
--	--	--	---	---	---	---

Earning Per Share 

1	3
---	---

 Dividend Rate (Weighted Average) 

N	I	L
---	---	---

### 5 Generic Names of Principal Products / Services of the Company (As per Monetary Items)

Item Code No. 

8	5	2	4	2	3	0	9
---	---	---	---	---	---	---	---

Item Code No. Television Software, Features Films, Production & Distribution

## PADMALAYA TELEFILMS LIMITED

(CIN: L92111TG1991PLC013222)

Regd. Office: Plot No. 138, H.No. 8-3-222/1/23,

Madhuranagar, YousufGuda, Hyderabad - 500 038, Telangana.

Website: [www.padmalayatelefilms.com](http://www.padmalayatelefilms.com); Email: [info@padmalaya.co.in](mailto:info@padmalaya.co.in),  
[padmalayatelefilms@gmail.com](mailto:padmalayatelefilms@gmail.com)

### ATTENDANCE SLIP FOR 25<sup>TH</sup> ANNUAL GENERAL MEETING

(to be handed it over at venue of the meeting)

I certify that I am a registered shareholder/ proxy/ representative for the registered shareholder(s) of Intense Technologies Limited.

DP ID*	
--------	--

Folio No.	
-----------	--

Client ID*	
------------	--

No. of Shares	
---------------	--

\* Applicable for investors holding shares in electronic form

I hereby record my presence at the 25th Annual General Meeting of the Company held on 30th day of September, 2016 at 09:30 A.M at State Gallery Of Fine Arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad-500 033, Telangana.

Name and Address of Member

--

**Signature of Shareholder/ Proxy/Representative**  
(Please Specify)

Note:

1. Shareholders/ Proxy holders are requested to bring the Attendance Slips with them duly completed when they come to the meeting and hand them over at the venue, affixing their signature on them.
2. Members are informed that no duplicate attendance slips will be issued at the venue of the meeting.

# PADMAYALA TELEFILMS LIMITED

(CIN: L92111TG1991PLC013222)

Regd. Office: Plot No. 138, H.No. 8-3-222/1/23, Madhuranagar, YousufGuda, Hyderabad - 500 038, Telangana.

Website: www.padmalyatelefilms.com; Email: info@padmalaya.co.in, padmalayatelefilms@gmail.com

## PROXY FORM

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

CIN	L92111TG1991PLC013222
Name of the Company	Padmalaya Telefilms Limited
Registered office	Plot No. 138, H.No. 8-3-222/1/23, Madhuranagar, YousufGuda, Hyderabad - 500 038
Name of the Member(s)	
Registered Address	
Email Id	
Folio No / Client ID	
DP ID:	

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

1	Name		
	Address		
	E- Mail ID		Signature
	of failing him		
2	Name		
	Address		
	E- Mail ID		Signature
	of failing him		
	of failing him		
3	Name		
	Address		
	E- Mail ID		Signature
	of failing him		
	of failing him		

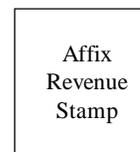
as my / our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the 25th Annual General Meeting of the Company, to be held on 30th day of September, 2016 at 09:30 A. M at the State Gallery Of Fine Arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad-500 033, Telangana and at any adjournment thereof in respect of such resolution as are indicated below:

SI No.	Resolutions	For	Against	Abstain
<b>Ordinary business</b>				
1.	To receive, consider and adopt the Audited Balance Sheet as at 31st March 2016 the Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon			
2.	To appoint a Director in place of Sri S.Sreenivasa Rao who retires by rotation and being eligible offers himself for reappointment			
3.	To ratify the appointment of M/s. P. Murali & Co., Chartered Accountants, Hyderabad to hold the office as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting to be held in the year 2017 and fix their remuneration			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of Shareholder \_\_\_\_\_

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



Note:

- Proxy need not be a member of the Company.
- The Proxy Form duly filled in and signed by the Member(s) across the revenue stamp should reach the Company's Registered Office at least 48 hours before the commencement of the meeting.
- Corporate members intending to send their authorized representative(s) to attend the meeting are requested to send a certified copy of the Board resolution authorizing their representative(s) to attend and vote on their behalf at the meeting.

PRINTED MATTER  
BOOK – POST

If Undelivered, please return to :

**PADMALAYA TELEFILMS LIMITED**

Plot No. 138, H.No. 8-3-222/1/23,  
Madhura Nagar, Yusuf Guda,  
Hyderabad - 500 038

