

27th
ANNUAL REPORT
2017 – 18



Padmalaya
TELEFILMS LIMITED

Corporate Information

Board of Directors

Sri. Bijay Kumar Khemkha	- Chairman - Independent Director (DIN: 01543776)
Sri. G.V.Narasimha Rao	- Executive Director (DIN: 01763565)
Sri. S.Sreenivasa Rao	- Director (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

Statutory Auditors

M/s P C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants
Plot No. 12, "N Heights"
Software Unit Layout, Cyberabad
Hyderabad - 500 081

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

BSE Limited, Mumbai

Corporate Identification Number: L92111TG1991PLC013222

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF M/S. PADMALAYA TELEFILMS LIMITED WILL BE HELD ON SATURDAY, THE 29TH DAY OF SEPTEMBER 2018 AT 9.30 AM AT HOTEL TRISHUL GRAND, ADJ TO METRO PILLAR NO. 35, MAIN ROAD, MADHAPUR, HYDERABAD - 500 081 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 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 continue the appointment of the Statutory Auditor without ratification at every Annual General Meeting in this regard pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in partial modification of the ordinary resolution passed at the Annual General Meeting held on 29th September, 2017 and in accordance with the amended Section 139 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 including any Statutory enactments or modifications thereof, the approval of the members be and is hereby accorded to continue the appointment of M/s. P C N & Associates., (FRN: 016016S), (formerly known as M/s. Chandra Babu Naidu & Co.,) Chartered Accountants, Hyderabad as Statutory Auditors of the Company at such remuneration as may be decided by the Board of Directors as per the recommendation of the Audit Committee, to hold office till the conclusion of the Annual General Meeting to be held in the year 2022 and the said appointment shall not be subject to ratification at every subsequent Annual General meeting".

By Order of the Board of Directors

Place : Hyderabad
Date : 1st September, 2018

Sd/-
(Bijay Kumar Khemka)
Chairman

Notes :

1. A Statement relating to re-appointment of Director to be transacted at the AGM is annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 23rd September, 2018 to Saturday, 29th September, 2018 (both days inclusive) for determining the names of members eligible for Voting at the General Meeting. The book closure dates have been fixed in consultation with the Stock Exchanges.
4. The relevant details of Directors seeking re-appointment under item no. 2, of this Notice are provided in the Annual Report.
5. 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, 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.
6. 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.
7. 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 22nd September 2018, 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 dispatch 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 09.00 a.m. on Wednesday, 26th September 2018 and will end at 5.00 p.m. on Friday, 28th September 2018. The Company has appointed Mr. Puttapparthi Jagannatham, Advocate, 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

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:

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 with a copy marked to 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 Wednesday, September 26th, 2018 at 10:00 a.m. and ends on Friday, September 28th, 2018 at 5.00 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 Saturday 22nd September, 2018, 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 Saturday, September 22, 2018.
- F. The Company has appointed Mr. Puttapparthi Jagannatham, 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 3rd October 2018 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 two (2) 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

- 8. 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.
- 9. 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.
- 10. 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.
- 11. 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.

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

Name of the Director	Sri. S.Sreenivasa Rao
Date of Birth/Age	05/04/1970 (48 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 31.03.2018.	2
Chairman/Member of the Committees of other Companies in which he is a Director as on 31.03.2018.	Nil

Directors' Report

To
 The Members
 PADMALAYA TELEFILMS LTD

Your Directors have pleasure in presenting the 27th Annual Report on the business of your company and the Audited Financial Statements for the year ended on 31st March 2018 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 st March 2018	Previous ended on 31 st March 2017
Turn Over	121.98	233.85
Profit / (Loss) Before Depreciation, Tax & extra-ordinary items	(112.47)	(111.72)
Profit / (Loss) after Tax & After extra-ordinary items	(143.58)	(113.41)

Business Performance Review

During the year under review, due to various external, marketing & industry factors have affected the business, and the performance of the company is not as per the business standards set-up by the management. The Board and its Management has made the postmortem analysis on the lacuna in the performance. The revised plan of action for the better performance is set in all the divisions and the Company has set a plan to review all its business divisions quarterly and the Board of Directors assures you better performance 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 Digitalization 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 are 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 31st March 2018, 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: Nil

(d) Foreign exchange out go: Nil

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

M/s. P C N & Associates., (FRN: 016016S), (formerly known as M/s. Chandra Babu Naidu & Co.,) Chartered Accountants, Hyderabad Statutory Auditors of the Company who were appointed in the Annual General Meeting held on 29th September, 2017 for a period of Five years till conclusion of Thirty First (31st) Annual General Meeting will Continue as Statutory Auditor without ratification at every Annual General Meeting.

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 during the financial year 2017-2018 as follows & the dates on which the above Board meetings were held are as follows:

30th May 2017; 29th August 2017, 1st September 2017; 14th September 2017; 14th December 2017; 14th February 2018.

DIRECTORS AND INDEPENDENT DIRECTORS

The appointment of Mr. Sreenivasa Rao Sakhamuri as Director-works could not be renewed, due to the reason that no consent was received from the said Director, and also no proposal was received from any shareholder / Director proposing the said renewal of term. But Mr. S Sreenivasa Rao continue to be the Director of the Company. There was a delay in intimation of the change in designation to the ROC / Stock exchange due to inadvertence.

During the period under review, Ms. Meduri Venkata Subhadra Prabhavathi Valli, was appointed as a Additional Director w.e.f 26th March 2018 to comply with the corporate governance clause relating to woman Director but due to the personal reasons of the said Director she has resigned from the office of Director w.e.f 10th July 2018.

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 31st March, 2018 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, 2018, 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.

Details of Subsidiaries, Associate Companies, and Joint Venture Companies, including in the consolidated financial statements:

The Company do not have Subsidiaries, Associate Companies, and Joint Venture Companies. So, the financials of the Company do not required to be prepared on consolidated basis.

Material changes and commitments affecting the financial position.

During the period under review, there is no event & Material change and commitments affecting the financial position.

Company's policy on director's appointment & remuneration.

The company has a policy on Directors' appointment & Remuneration and the same will be implemented whenever the appointments take place.

Particulars of loans, Guarantees or investments.

During the period under review, there were no loans / Guarantees / Investments taken / provided by the Company.

Particulars of contract or arrangement with related party

During the period under review, there were no contract or arrangement with related party except as provided in the Auditor's Report.

Annual evaluation of its own & Board committees' performance.

The company has a policy on Board & Committees' evolution & performance and the same is being reviewed on quarterly basis.

Implementation of risk management policy.

The company has a policy on risk management and the same is implemented by the Company to mitigate the risk in the business.

Policy on CSR initiatives

The Company need not have to make arrangements for the CSR as the same is not applicable to the Company



Post Balance Sheet events

There are no material events after the 31st March 2018 till the signing of this Annual Report, which has significant impact on the business of the Company.

Disclosure about cost Audit

The requirement of maintaining the cost Audit Records are not applicable to the Company.

Disclosure about ESOP and Sweat Equity Share

There are securities issued on ESOP basis / Sweat Equity.

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. MVRS Suryanarayana, Senior Manager (Accounts & Admin) shall act as the Compliance Officer and shall be the Key Managerial Personnel till Chief Financial Officer is appointed 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 in Form MR-3 is obtained by the company from Puttaparthi Jagannatham & co., 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.

Reply to the Qualifications / Reservation in the Audit Report / Secretarial Audit Report

There were no qualification / reservations made by the Statutory Auditors of the Company.

The Secretarial Auditors i.e. Puttapparthi Jagannatham & Co. has made some qualifications in their Secretarial Audit Report, regarding appointment of Key Managerial Personnel (CS & CFO). The Company is in the process of appointing the same and will strengthen its Board and will comply with the Corporate Governance Requirements. The appointment of Mr. Sreenivasa Rao Sakhamuri as Director-works could not be renewed, due to the reason that no consent was received from the said Director, and also no proposal was received from any shareholder / Director proposing the said renewal of term. But Mr. S Sreenivasa Rao continue to be the Director of the Company. There was a delay in intimation of the change in designation to the ROC / Stock exchange due to inadvertence.

The Company has set in place the compliance adherence mechanism and is reviewed quarterly to achieve 100% compliance status.

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 : 1st September, 2018



ANNEXURE I
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31ST 2018

[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, 2018 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, 2018 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, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - 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;
 - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 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)

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.
- 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, Standards etc. mentioned above except as mentioned below:

1. The Company Secretary and CFO have not been appointed as required by the applicable laws.
2. 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.
3. There was no renewal of term of Mr. Sreenivasa Rao Sakhamuri as Director - Works, on expiry of his term. However no form has been filed by the company and disclosure on Stock exchange
4. Disclosures have not been made on the website of 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.

Sd/-

Place: Hyderabad
Date: 1st September, 2018

Rama Bandaru
Practicing Company Secretary
ACS: 19456; 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: 1st September, 2018

Sd/-
Rama Bandaru
Practicing Company Secretary
ACS: 19456; CP No: 7739

Annexure-2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

**[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	:	Plot No. 138, 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:-

The particulars of Segment reporting were mentioned in the financials enclosed to this Annual Report.

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-2017]				No.of Shares held at the end of the year [As on 31-March-2018]				% Change
	Demat	Physical	Total	% of Total	Demat	Physical Shares	Total	% of Total Shares	
A. Promoters									
(1) Indian									
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									---
(2) Foreign									
a) Individual									
b) Bodies Corp.									---
c) QIB									
Total shareholding of Promoter (A)	1750474	25000	1775474	10.44	1750474	25000	1775474	10.44	---
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									---
b) Banks / FI									---
c) Central Govt									---
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									---
2. Non-Institutions									
a) Bodies Corp.	728438	618100	1346538	18.51	842575	2418100	3260675	19.19	0.68
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8121145	46851	8167996	48.05	7223726	47951	7271677	42.77	(5.28)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2013761	1335000	3348761	19.70	2792076	1335000	4127076	24.28	4.58
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	0.02
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	723	0	723	0.01	1111	0	1111	0.01	---
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	11423475	3801051	15224526	89.56	11423475	3801051	15224526	89.56	---

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

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.	MVRS Suryanarayana	126400	0.74	0	0	126400	0.74
7.	Surendra Kancheti	111206	0.65	0	0	111206	0.65
8.	Raj Kumar Pasricha	0	0	106150	0.62	106150	0.62
9.	Vandanapu Rajendra Kumar	104751	0.62	0	0	104751	0.62
10.	Krishna Kumari Mande	0	0	100206	0.59	100206	0.59

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
Indebtedness at the beginning of the financial year				
i) Principal Amount Rs. In Lakhs	0	94.50	0	94.50
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii) Rs. In Lakhs	0	94.50	0	94.50
Change in Indebtedness during the financial year	0	0	0	0
* Addition	0	0	0	0
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year	0	0	0	0
i) Principal Amount Rs. In Lakhs	0	94.50	0	94.50
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii) Rs. In Lakhs	0	94.50	0	94.50



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		
1	Gross salary	6,00,000		6,00,000
	(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		6,90,000
	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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
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. 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 SEBI (LODR) Regulations 2015, 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

Total number of the Directors on the Board are 4, comprises of 1 (One) Executive, One Non-Executive Non-Independent, and 2 Non Executive Independent Directors. 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.Srinivasa Rao	Non Executive	Director	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	30/05/2017
2	29/08/2017
3	01/09/2017
4	14/09/2017
5	14/12/2017
6	14/02/2018

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	6	Yes
G.V.Narasimha Rao	6	Yes
S.Srinivasa Rao	6	Yes
Dr D.V.N. Raju	6	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

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. Sreenivasa 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	5	5
Sri.Bijay Kumar Khemka	5	5
S.Sreenivasa Rao	5	5

d) Audit Committee Meetings held During the Year

S.No	Date of Board Meeting
1	30/05/2017
2	29/08/2017
3	01/09/2017
4	14/09/2017
5	14/12/2017
6	14/02/2018

4. Remuneration Committee

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 2017-18 is as follows:

Rs.lakhs

Particulars	G.V. Narasimha Rao Executive Director
Salary	6.00
HRA	0.90
Total	6.90

Non Executive Directors have been paid sitting fees for attending the Board and the 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 constitutes as subcommittee of the Board.

In Pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Duly 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 2017-2018

Nature of Complaints	Received	Resolved	Pending
A. Non-receipt of Dividend Warrants	Nil	Nil	Nil
B. Non receipt of Annual Reports	15	15	Nil
C. Non Receipt of share Certificates	Nil	Nil	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
26 th	31.03.2017	29.09.2017	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
25 th	31.03.2016	30.09.2016	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
24 th	31.03.2015	30.09.2015	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033

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

- b) No Special Resolutions passed during the previous year.
- c) During the year no Extra-ordinary General Meetings were held.
- d) During the year no resolutions were passed through postal ballot.

8. Disclosures

- 1) The Executive Director and Vice President (F&A) have given a certificate to the Board as contemplated in SEBI (LODR) Regulations 2015, and is enclosed at the end of the report.
- 2) During the Financial year 2017-18, 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.
- 3) 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 SEBI (LODR) Regulations 2015, Financial Results are generally published in National news papers and in Regional Language newspapers. 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 : 29.09.2018
 Time : 9.30 AM.
 Venue : Hotel Trishul Grand, Adj to Metro Pillar No. 35,
 Main Road, Madhapur, Hyderabad - 500 081

2. Financial Calendar : 1st April to 31st March (2018-19)

Financial Reporting for:

Quarter ending June, 30 2018 : **Second Week of August 2018**
 Quarter ending September, 30 2018 : Second Week of November, 2018
 Quarter ending Decemeber, 31 2018 : Second Week of February, 2019
 Quarter ending March, 31 2019 : Last Week of May, 2019
 Annual General Meeting (Next year) : Last week of September, 2019

3. Date of Books Closure : 22/09/2018 to 29/09/2018 (Inclusive of both days)

4. Listing on Stock Exchanges : BSE Limited, Mumbai

5. Listing Fee : Listing fee for the year 2018-19 has been paid.

6. Stock Code : BSE :- 532350

7. Market Price Data: Monthly High and Low quotations of shares traded on the BSE Limited, from 1st April, 2017 to 31st March, 2018 are as stated hereunder.

Year 2017-18	BSE Ltd	
	High Price	Low Price
Apr-17	6.03	3.21
May-17	16.40	5.85
Jun-17	14.50	9.50
Jul-17	11.09	6.60
Aug-17	10.45	6.58
Sep-17	7.30	4.98
Oct-17	7.51	4.87
Nov-17	7.14	5.60
Dec-17	6.45	5.52
Jan-18	6.41	5.52
Feb-18	5.75	4.51
Mar-18	4.85	2.95

- The Scrip of the Company has been voluntarily delisted from the National Stock Exchange of India Limited.

8. Share Transfer Agents :

Kary 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 31-03-2018

The details are mentioned elsewhere in this Annual Report.

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.

Details of Shares Dematerialised as on 31/03/2018

Particulars	No. of Shares	% of Share Capital
NSDL	93,38,563	54.93
CDSL	40,96,486	24.10
Physical	35,64,951	20.97
TOTAL	1,70,00,000	100.00

11. Outstanding GDR/warrants and

Convertible or Any Convertible Instruments : Not Applicable

12. 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, Chitrangan 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

14. 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 MVRS Suryanarayana - Compliance Officer 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 : 1st September, 2018

Sd/-
G.V.Narasimaha Rao
Executive Director

Sd/-
MVRS Suryanarayana
Compliance Officer



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, 2018.

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 C N & Associates.,
(Formerly Known as Chandra Babu Naidu & Co)
Chartered Accountants

Place : Hyderabad
Date : 1st September, 2018

Sd/-
Partner



Independent Auditors Report

To
The Members of
Padmalaya Telefilms Limited

Report on Ind AS Financial Statements

We have audited the accompanying financial statements of M/s **Padmalaya Telefilms Limited** ('the Company'), which comprise of the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including other Comprehensive income) the statement of Cash Flows and the statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. (herein after referred as ('Ind AS Financial statements'))

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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were 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 IndAS 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 Ind AS financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the 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 Ind AS 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, including Ind AS of the financial position of the Company as at 31st March 2018, and its financial performance including other comprehensive income, its cash flow and changes in the equity 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 report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rules issued there under.
 - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the 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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative Contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P C N & Associates,
(Formerly Known as Chandra Babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Place : Hyderabad
Date : 30th May, 2018

Sd/-
Lakshmi Prasanthi.S
Partner
M.No:236578



Annexure to Auditors' Report

Annexure referred to in Independent Auditors Report to the Members of M/s Padmalaya Telefilms Limited on the financial statements for the year ended 31st March 2018, we report that:

- i. The Company has no fixed assets. Accordingly, the provisions of this clause are not applicable to 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 the companies, firms or other parties covered in the register maintained under section 189 of the companies Act 2013. Consequently, the provisions of clauses iii(a) and iii(b) 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. Maintenance of cost records have not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013 for 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 Income-tax and other material statutory dues, as applicable, with the appropriate authorities in India.
 - (b) According to the explanation and information given to us & based on the records of the company, there were no undisputed amounts payable in respect of, Income-tax, and other material statutory dues in arrears as at 31st March 2018 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 or any other material statutory dues, which have not been deposited on account of any disputes.
- viii. According to the information and explanations given to us, the company has not taken any loans or borrowings from banks or financial institutions nor issued any debentures during the year under consideration or outstanding, accordingly this clause is not applicable as such.
- 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 not paid/provided managerial remuneration during the year. Accordingly the provisions of Sec. 197 of The Companies Act 2013 are not applicable as such.
- 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 transactions with related parties during the year. Accordingly, the provisions of clause 3(xiii) of the Order are not applicable to the Company.
- 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.

For P C N & Associates,
(Formerly Known as Chandra Babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Sd/-

Lakshmi Prasanthi.S
Partner
M.No:236578

Place : Hyderabad
Date : 30th May, 2018

**Annexure B to the Independent Auditor's Report****Report on the Internal Financial Controls over Financial Reporting 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 M/s Padmalaya Telefilms Limited ('the company') as on 31st march 2018 in conjunction with our audit of Ind AS 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 deed 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 detailed, 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, 2018, 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 C N & Associates,
(Formerly Known as Chandra Babu Naidu & Co)
Chartered Accountants
Firm Registration No: 016016S

Place : Hyderabad
Date : 30th May, 2018

Sd/-
Lakshmi Prasanthi.S
Partner
M.No:236578

BALANCE SHEET AS AT MARCH 31, 2018 (Ind AS)
(In Rupees)

Particulars	Notes	As At 31 March,18	As At 31 March,17	As At 1st April,16
I. ASSETS:				
1. Non Current Assets:				
a) Property, Plant and Equipment	2	-	1,43,38,897	1,43,38,897
b) Capital Work in Progress		-	-	-
c) Financial Assets				
i) Non Current Investments		-	-	-
ii) Loans		-	-	-
iii) Other Non Current Financial Assets		-	-	-
d) Deferred Tax Asset				
e) Other Non Current Assets	3	1,28,000	1,28,000	1,28,000
Total Non-Current Assets		1,28,000	1,44,66,897	1,44,66,897
2. Current Assets:				
a) Inventories	4	13,13,13,770	13,13,13,770	13,13,13,770
b) Financial Assets				
i) Investments		-	-	-
ii) Trade Receivables	5	1,63,58,061	1,63,58,061	5,78,96,190
iii) Cash and Cash Equivalents	6	10,81,211	52,720	10,78,841
iv) Other Balances with Bank		-	-	-
v) Loans		-	-	-
vi) Other Financial Assets		-	-	-
c) Other Current Assets	7	7,89,91,852	7,89,91,852	8,15,77,154
Total Current Assets		22,77,44,894	22,67,16,403	27,18,65,955
TOTAL ASSETS		22,78,72,894	24,11,83,300	28,63,32,852
II. EQUITY AND LIABILITIES:				
Equity				
a) Equity Share Capital	8	16,99,76,000	16,99,76,000	16,99,76,000
b) Other Equity	9	(66,05,805)	77,52,901	1,90,94,667
Total Equity		16,33,70,195	17,77,28,901	18,90,70,667
Liabilities				
1. Non Current Liabilities:				
a) Financial Liabilities				
i) Borrowings		-	-	4,48,78,382
ii) Other Financial Liabilities		-	-	-
b) Provisions	10	1,37,500	1,43,000	7,10,485
c) Deferred Tax Liabilities (Net)	11	49,62,917	20,20,529	18,51,356
d) Other Non Current Liabilities		-	-	-
Total Non-Current Liabilities		51,00,417	21,63,529	4,74,40,223
2. Current Liabilities:				
a) Financial Liabilities	12	94,50,000	94,50,000	58,50,000
i) Borrowings	13	21,56,478	21,56,478	72,42,688
ii) Trade Payables		-	-	-
iii) Other Financial Liabilities		-	-	-
b) Provisions	14	1,81,985	2,26,985	2,24,555
c) Other Current Liabilities	15	4,76,13,819	4,94,57,407	3,65,04,719
Total Current Liabilities		5,94,02,282	6,12,90,870	4,98,21,962
TOTAL EQUITY & LIABILITIES		22,78,72,894	24,11,83,300	28,63,32,852

Summary of Significant Accounting Policies

1

The Accompanying Notes are an Integral Part of the Financial Statements

As per our Report of Even Date

For PADMALAYA TELEFILMS LIMITED
For P C N & Associates,

Formerly Known as Chandra Babu Naidu & Co

Chartered Accountants

Firm Registration no: 016016S

Sd/-
Lakshmi Prasanthi.S

Partner

M.No:236578

Sd/-

Executive Director

Sd/-

Director

Place : Hyderabad

Sd/-

Date : 30th May, 2018

Senior Manager (Accounts & Admin)

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
(In Rupees)

PARTICULARS	NOTES	As At 31 March, 18	As At 31 March, 17
INCOME			
Revenue from Operations	16	1,20,92,428	2,30,94,829
Other income	17	1,05,455	2,89,745
TOTAL INCOME		1,21,97,883	2,33,84,574
EXPENSES			
Cost of materials consumed	18	84,89,622	1,60,43,217
Employees benefit Expenses	19	12,21,302	17,96,850
Finance Costs	20	4,748	3,052
Depreciation and Amortisation Expenses	21	-	-
Other Operating and General Expenses		1,37,29,356	1,67,14,048
TOTAL EXPENSES		2,34,45,028	3,45,57,167
Profit/(Loss) before exceptional items and tax		(1,12,47,145)	(1,11,72,593)
Exceptional Items			
Profit/(Loss) before tax		(1,12,47,145)	(1,11,72,593)
Tax Expenses:			
(1) Current Tax			
(2) Deferred Tax			
Total		31,11,561	1,69,173
Profit (Loss) after Tax for the period		(1,43,58,706)	(1,13,41,766)
Other Comprehensive Income			
A. (i) Items that will not be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
B. (i) Items that will be reclassified subsequently to Profit or Loss			
(ii) Income Tax relating to items that will be reclassified to profit or loss			
Total (Net of Tax)		-	-
Total Comprehensive Income for the year		(1,43,58,706)	(1,13,41,766)
Earnings Per Share:			
a) Basic (Rs.)		-0.84	(0.67)
b) Diluted (Rs.)		-0.84	(0.67)
Face Value per Equity Share			

Summary of Significant Accounting Policies 1

The Accompanying Notes are an Integral Part of the Financial Statements

As per our Report of Even Date

For PADMALAYA TELEFILMS LIMITED

For P C N & Associates,
Formerly Known as Chandra Babu Naidu & Co
Chartered Accountants
Firm Registration no: 016016S

Sd/-
Lakshmi Prasanthi.S
Partner
M.No:236578

Place : Hyderabad
Date : 30th May, 2018

Sd/-
Executive Director

Sd/-
Senior Manager (Accounts & Admin)

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About The Company:

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 the television software and feature films, Training in multimedia software and animation. PTL was incorporated on 17th September, 1991 in Hyderabad, Telangana, India.

Basis of preparation:

For all periods, up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) issued by the MCA. These are the first Ind-AS financial statements of the Company, wherein the Company has restated its Balance Sheet as at 1 April 2016 and financial statements for the year ended and as at 31 March 2017 also as per Ind-AS.

The standalone financial statements have been prepared on a historical cost basis. All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. The Company considers 12 months to be its normal operating cycle.

SIGNIFICANT ACCOUNTING POLICIES

a. Revenue Recognition

Revenue is recognized, net of sales related taxes, when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product is delivered or services have been rendered and collectability is reasonably assured. The Company considers the terms of each arrangement to determine the appropriate accounting treatment. The following additional criteria apply in respect of various revenue streams within filmed entertainment: Theatrical - Contracted minimum guarantees are recognized on the theatrical release date. The Company's share of box office receipts in excess of the minimum guarantee is recognized at the point they are notified to the Company. Television - License fees received in advance which do Not meet the revenue recognition criteria are included in deferred income until the above criteria is met. Other - DVD, CD and video distribution revenue is recognized on the date the product is delivered or if licensed in line with the revenue recognition criteria. Provision is made for physical returns where applicable. Digital and ancillary media revenues are recognized at the earlier of when the content is accessed or declared. Visual effects, production and other fees for services rendered by the Company and overhead recharges are recognized in the period in which they are earned and in certain cases, the stage of production is used to determine the proportion recognized in the period.

Other Income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate applicable.

Property, plant and equipment and depreciation

Property, Plant and Equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes etc. up to the date the asset is ready for its intended use. Depreciation is provided under written down value method at the rates and in the manner prescribed under Schedule II to the Companies Act, 2013.

Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost with any difference between the proceeds (net of transaction costs) and the redemption value recognised in the Statement of profit and loss within finance costs over the period of the borrowings using the effective interest method. Finance costs in respect of film productions and other assets which take a substantial period of time to get ready for use or for exploitation are capitalized as part of the assets. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligations and can be reliably measured. Provisions are measured at Management's best estimate of the expenditure required to settle the obligations at the statement of financial position date and are discounted to present value where the effect is material.

Financial Assets

Financial assets are divided into the following categories:

Financial assets carried at amortised cost

Financial assets at fair value through other comprehensive income

Financial assets at fair value through profit and loss?

Financial assets are assigned to the different categories by management on initial recognition, depending on the nature and purpose of the financial assets. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available. Financial Assets like Investments in Subsidiaries are measured at Cost as allowed by Ind-AS 27 - Separate Financial Statements and hence are not fair valued. Financial assets carried at amortised cost .A financial asset is subsequently measured at amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These are non-derivative financial assets that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank and cash balances) are measured subsequent to initial recognition at amortized cost using the effective interest method, less Provision for impairment. Any change in their value through impairment or reversal of impairment is recognized in the Statement of profit and loss. In accordance with Ind AS 109: Financial Instruments, the Company recognizes impairment loss allowance on trade receivables and content advances based on historically observed default rates. Impairment loss allowance recognized during the year is charged to Statement of profit and loss. Financial assets at fair value through other comprehensive income Financial assets at fair value through other comprehensive income are non-derivative financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets at fair value through profit or loss A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. It includes non-derivative financial assets that are either designated as such or do not qualify for inclusion in any of the other categories of financial assets. Gains and losses arising from investments classified under this category is recognized in the Statement of profit and loss when they are sold or when the investment is impaired. In the case of impairment, any loss previously recognized in other comprehensive income is transferred to the Statement of profit and loss. Impairment losses recognized in the Statement of profit and loss on equity instruments are not reversed through the Statement of profit and loss. Impairment losses recognized previously on debt securities are reversed through the Statement of profit and loss when the increase can be related objectively to an event occurring after the impairment loss was recognized in the Statement of profit and loss. When the Company considers that fair value of financial assets can be reliably measured, the fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Company applies its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. Equity instruments measured at fair value through profit or loss that do not have a quoted price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment at the end of each reporting period. An assessment for impairment is undertaken at least at each balance sheet date. A financial asset is derecognized only where the Contractual rights to the cash flows from the asset expire or the financial asset is transferred and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Company retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients. A financial asset that is transferred qualifies for derecognition if the Company transfers substantially all the risks and rewards of ownership of the asset, or if the Company neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities:

Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'. Financial liabilities are subsequently measured at amortized cost using the effective interest method or at Fair value through profit or loss. Financial liabilities are classified as at fair value through profit or loss when the financial liability is held for trading such as a derivative, except for a designated and effective hedging instrument, or if upon initial recognition it is thus designated to eliminate or significantly reduce Measurement or recognition inconsistency or it forms part of a contract containing one or more embedded derivatives and the contract is designated as fair value through profit or loss. Financial liabilities at fair value through profit or loss are Stated at fair value. Any gains or losses arising of held for trading financial liabilities are recognized in Statement of profit and loss. Such gains or losses incorporate any interest paid and are included in the "other gains and losses" line item. Other financial liabilities (including borrowing and trade and other payables) are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition. A financial liability is derecognized only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires. Changes in liabilities' fair value that are reported in profit or loss are included in the Statement of profit and loss within finance costs or finance income.

Taxes

Taxation on profit and loss comprises current tax and deferred tax. Tax is recognized in the Statement of profit and loss except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case tax impact is also recognized in equity or other comprehensive income. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted at the balance sheet date along with any adjustment relating to tax payable in previous years. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws. Minimum alternate tax (MAT) paid in a year is charged to the Statement of profit and loss as current tax. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, which is the period for which MAT credit is allowed to be carried forward. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Earnings per share

Basic earnings per share are computed using the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is computed by considering the impact of the potential issuance of ordinary shares, on the weighted average number of shares outstanding during the period except where the results would be anti dilutive.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments which are readily convertible into known Amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Deposits held with banks as security for overdraft facilities are included in restricted deposits held with bank.

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.

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(In Rupees)

	PARTICULARS	For the Year Ended 31st March 2018	For the Year Ended 31st March 2017
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Net profit before tax and exceptional items	(1,12,47,145)	(1,11,72,593)
	Adjustments for:		
	Depreciation and Amortization Expenses	-	-
	Profit/Loss on sale of Fixed Assets (Net)	1,12,88,897	
	Finance Costs	4,748	3,052
	Interest Income		
	Adjustments for Ind As(Deferred Tax)	(1,69,173)	
	Cash Operating Profit before working capital changes	(1,22,673)	(1,11,69,541)
	Adjustments for (increase)/decrease in operating assets		
	Trade receivables	-	4,15,38,129
	Inventories	-	
	Other Current Assets	-	25,85,302
	Short Term Loans & Advances		
	Other Financial Assets		
	Other Non Current Assets		
	Adjustments for increase/(decrease) in operating liabilities	(1,22,673)	3,29,53,890
	Borrowings	36,00,000	
	Short Term Provisions	(45,000)	2,430
	Trade Payables	-	(50,86,210)
	Other Financial Liabilities		
	Other Non Current Liabilities	(5,500)	(5,67,485)
	Other short term Liabilities	(18,43,588)	1,29,52,688
	Cash Generated from Operations	(20,16,761)	4,38,55,313
	Direct Taxes - Refund / (paid)	-	
	Net Cash Generated From Operating Activities (A)	(20,16,761)	4,38,55,313
B.	CASH FLOW FROM INVESTING ACTIVITIES:		
	Purchase of fixed assets (net)		
	Sale of Fixed Assets	30,50,000	
	Dividend Income		
	Interest Income		
	Net Cash Generated/Used In Investing Activities (B)	30,50,000	-
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Financing Charges	(4,748)	(3,052)
	Proceeds from Share Capital		-
	Proceeds/ (Repayment) from Long Term Borrowings		
	Proceeds/ (Repayment) from Short Term Borrowings		(4,48,78,382)
	Net Cash Generated/Used In Financing Activities (C)		
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(4,748)	(4,48,81,434)
	Opening Cash and Cash Equivalents as at 31st March,2017	10,28,491	(10,26,121)
	Closing Cash and Cash Equivalents as at 31st March 2018	52,720	10,78,841
		10,81,211	52,720

As per our Report of Even Date

For PADMALAYA TELEFILMS LIMITED

For P C N & Associates,
 (Formerly Known as Chandra Babu Naidu & Co)
 Chartered Accountants
 Firm Registration no: 016016S

Sd/-
Lakshmi Prasanthi.S
 Partner
 M.No:236578

Sd/-
 Executive Director

Sd/-
 Director

Place : Hyderabad
 Date : 30th May, 2018

Sd/-
 Senior Manager (Accounts & Admin)



Statement Of Changes In Equity For The Year Ended 31st March, 2018

Particulars	Equity share capital		Other Equity							
	Equity Capital Subscribed	Equity Component of Other Financial Instruments	Securities Premium Reserve	General reserve	Retained Earnings	Reserves & Surplus	Other Comprehensive Income	Equity Instruments through other comprehensive income	Other Equity	Total Equity
Balance as at 1st April 2016	16,99,76,000		75,66,08,703	8,82,84,200	(82,57,98,236)				1,90,94,667	18,90,70,667
Total Of Other Comprehensive Income (Net of Tax)										
Dividend (Including Dividend Distribution Tax)										
Profit For The Year						(1,13,41,766)				
Balance as at 31st March, 2017	16,99,76,000		75,66,08,703	8,82,84,200	(83,71,40,002)				-	77,52,901 17,77,28,901
Balance as at 1st April, 2017	16,99,76,000		75,66,08,703	8,82,84,200	(83,71,40,002)				77,52,901	17,77,28,901
Total Of Other Comprehensive Income (Net of Tax)										
Dividend (Including Dividend Distribution Tax)										
Profit For The Year						(1,43,58,706)				
Balance as at 31st March, 2018	16,99,76,000		75,66,08,703	8,82,84,200	(85,14,98,708)				- (66,05,805)	16,33,70,195

Note No 2 : Property, Plant & Equipment

Particulars	Land	Plant & Machinery	Office Equipment	Furniture & Fixtures	Vehicles	Other Assets	Total
Cost at							
As at 1st April 2016	1,43,38,897	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	31,96,95,675
Additions During the Year							-
Disposals During the Year							-
As at 31st March 2017	1,43,38,897	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	31,96,95,675
Additions During the Year							-
Disposals During the Year							-
As at 31st March 2018	-	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	30,53,56,778
Depreciation / Amortization							
As at 1st April 2016	-	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	30,53,56,778
Provided for the year							-
Deductions During the Year							-
As at 31st March 2017	-	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	30,53,56,778
Provided for the year							-
Deductions During the Year							-
As at 31st March 2018	-	28,42,07,430	56,88,216	26,64,181	18,53,083	1,09,43,868	30,53,56,778
Net Carrying Value							
As at 1st April 2016	1,43,38,897						1,43,38,897
As at 31st March 2017	1,43,38,897						1,43,38,897
As at 31st March 2018	-	-	-	-	-	-	-


NOTE NO. 3 : Other Non Current Assets
(In Rupees)

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Security Deposit	1,28,000	1,28,000	1,28,000
Total Other Non Current Assets	1,28,000	1,28,000	1,28,000

NOTE NO 4 : Inventories

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Closing Stock	3,33,82,134	3,33,82,134	3,33,82,134
Software under Production	7,33,85,497	7,33,85,497	7,33,85,497
Projects on Hand	2,45,46,139	2,45,46,139	2,45,46,139
Total Inventory	13,13,13,770	13,13,13,770	13,13,13,770

NOTE NO 5 : Trade Receivables

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Current - Unsecured			
Considered Good	1,63,58,061	1,63,58,061	5,78,96,190
Considered Doubtful			
Total Trade Receivables	1,63,58,061	1,63,58,061	5,78,96,190

Note No 6 : Cash and Cash Equivalents

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Balances with Banks :			
On Current Accounts	10,55,101	12,986	10,46,356
Cheques, drafts on hand	26,110	39,734	32,485
Cash on Hand			
Total Cash and Cash Equivalents	10,81,211	52,720	10,78,841

Note No 7 : Other Current Assets

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Prepaid Expenses	11,51,685	11,51,685	14,60,136
Loan Receivables	7,45,70,181	7,45,70,181	7,45,70,181
Other Advances	32,69,986	32,69,986	55,46,837
Total Other Current Assets	7,89,91,852	7,89,91,852	8,15,77,154

Note No 8 : Share Capital

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Authorised Share Capital			
2,00,00,000 Equity Shares of Rs.10/- each (31st March, 2017: 2,00,00,000 Equity Shares of Rs.10/- each) (1st April, 2016: 2,00,00,000 Equity Shares of Rs.10/- each)	20,00,00,000	20,00,00,000	20,00,00,000

Issued Share Capital			
1,70,00,000 Equity Shares of Rs.10/- each (31st March, 2017: 1,70,00,000 Equity Shares of Rs.10/- each) (1st April, 2016: 1,70,00,000 Equity Shares of Rs.10/- each)	17,00,00,000	17,00,00,000	17,00,00,000
Subscribed and Fully Paid up			
1,69,65,200 Equity Shares of Rs.10/- each (31st March, 2017: 1,69,95,200 Equity Shares of Rs.10/- each) (1st April, 2016: 1,69,95,200 Equity Shares of Rs.10/- each)	16,99,52,000	16,99,52,000	16,99,52,000
Subscribed and Not Fully Paid up			
4,800 Equity Shares of Rs.10/- each (31st March, 2017 : 4,800 Equity Shares of Rs.10/- each) (1st April, 2016: 4,800 Equity Shares of Rs.10/- each)	24,000	24,000	24,000
Total Equity Share Capital	16,99,76,000	16,99,76,000	16,99,76,000

Note No 9 : Other Equity

Particulars	Reserves & Surplus				Other
	General Reserve	Securities Premium Reserve	Retained Earnings	Comprehe-nsive Income	
Balance as at 1st April 2016	8,82,84,200	75,66,08,703	(82,57,98,236)		1,90,94,667
Dividend (Including Dividend Distribution Tax)					
Profit For The Year			(1,13,41,766)		
Balance as at 31st March, 2017	8,82,84,200	75,66,08,703	(83,71,40,002)	-	77,52,901
Dividend (Including Dividend Distribution Tax)					
Profit For The Year			(1,43,58,706)		
Balance as at 31st March, 2018	8,82,84,200	75,66,08,703	(85,14,98,708)	-	(66,05,805)

Note No 10 : Provisions

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Provision for Employee Benefits			
Gratuity	97,500	91,000	5,24,075
Leave Encashment	-	-	1,14,410
Others	40,000	52,000	72,000
Total Provisions	1,37,500	1,43,000	7,10,485

Note No 11 : Deferred Tax Liability (Net)

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Opening Balance	20,20,529	18,51,356	18,64,025
Add/(Less): Provision of Deferred tax charge / (Credit) for the year	31,11,561	1,69,173	(12,669)
Add/(Less): Adjustment Due to Ind AS	(1,69,173)		
Closing Balance	49,62,917	20,20,529	18,51,356

Note No 12 : Borrowings
(In Rupees)

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Unsecured			
From Others	94,50,000	94,50,000	5850000
Total Borrowings	94,50,000	94,50,000	58,50,000

Note No 13 : Trade Payables

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Suppliers	21,56,478	21,56,478	72,42,688
Total Trade Payables	21,56,478	21,56,478	72,42,688

Note No 14 : Provisions

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Provision for Employee Benefits			
PF & ESI Payable	5,775	5,775	5,775
Salaries Payable	36,900	73,800	69,170
Others			
Statutory Liabilities	83,310	78,410	68,610
TDS Payable	56,000	69,000	81,000
Total Provisions	1,81,985	2,26,985	2,24,555

Note No 15 : Other Current Liabilities

Particulars	As At 31.03.2018	As At 31.03.2017	As At 01.04.2016
Other Payables	4,76,13,819	4,94,57,407	3,65,04,719
Total Other Current Liabilities	4,76,13,819	4,94,57,407	3,65,04,719

Note No 16: Revenue From Operations

Particulars	As At 31.03.2018	As At 31.03.2017
Revenue From Operations:		
(A) Sale of Products	1,20,92,428	2,30,94,829
(B) Other Operating Income		
Total	1,20,92,428	2,30,94,829

Note No 17 : Other Income

Particulars	As At 31.03.2018	As At 31.03.2017
Other Non Operating Income	1,05,455	2,89,745
Total	1,05,455	2,89,745

Note No 18 : Cost of Materials Consumed

Particulars	As At 31.03.2018	As At 31.03.2017
Production Expenditure	84,89,622	1,60,43,217
Total	84,89,622	1,60,43,217

Note No 19 : Employee Benefit Expenses
(In Rupees)

Particulars	As At 31.03.2018	As At 31.03.2017
Salaries, Wages and bonus	4,80,000	4,80,000
Contribution to Provident & Other Funds	25,824	51,372
Managerial Remuneration	6,90,000	12,30,000
Staff Welfare Expenses	25,478	35,478
Total	12,21,302	17,96,850

Note No 20 : Finance Costs

Particulars	As At 31.03.2018	As At 31.03.2017
Bank Charges	4,748	3,052
Total	4,748	3,052

Note No 21 : Other Operating and General expenses

Particulars	As At 31.03.2018	As At 31.03.2017
(i) Operating expenses consist of the following :		
Packing, consumables & stores		
Rent	1,56,000	1,56,000
Bad Debts Written Off	-	1,41,63,257
Repairs & Maintenance		
Other Operating Expenses		
(ii) General expenses consist of the following :		
Printing and Stationery	8,450	16,487
Conveyance	1,50,576	1,35,244
Office Maintenance	1,90,250	1,91,097
Business Promotion Expenses	1,78,458	1,78,458
Loss on sale of fixed assets	1,12,88,897	-
Postage & Telephones	30,398	49,519
Professional & Consultancy Fee	2,17,200	4,27,200
AGM & EGM Expenses	9,77,192	8,81,490
Subscription, Membership and corporate bodies	2,93,935	2,77,296
Gratuity, Bonus & Leave Encashment	46,000	46,000
License Fees	5,500	5,500
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	18,700
Internal Auditors Remuneration	60,000	60,000
Total	1,37,29,356	1,67,14,048

A.Y 2018-19
Computation of Deferred Tax Liability/(Asset) for the year Ended 31-03-2018

Particulars	Amount Rs	Amount Rs
Gross Deferred Tax Liability:		
Closing Block as per SLM	-	
Closing Block as per WDV	1,00,69,775	1,00,69,775
Gross Deferred Tax Liability @ 30.90%		31,11,561

NOTE NO. 10 : TANGIBLE & INTANGIBLE ASSETS AS AT 31-03-2018

Sl. No.	Particulars	Gross Block			Depreciation/Amortization			Net Block as on 31.03.2018	Net Block as on 31.03.2017
		As on 01.04.2017	Additions during the year	Sale/Deletions during the year	As on 31.03.2018	Dep. As on 01.04.2017	Dep. For the year ending 31-03-2018	Rs.	Rs.
Tangible Fixed Assets:									
1	Land	1,43,38,897	-	(1,43,38,897)	-	-	-	-	-
2	Plant & Machinery	28,42,07,430	-	-	28,42,07,430	28,42,07,430	-	-	-
3	Other Assets	1,09,43,868	-	-	1,09,43,868	1,09,43,868	-	1,09,43,868	-
4	Office Equipment	56,88,216	-	-	56,88,216	56,88,216	-	56,88,216	-
5	Furniture	26,64,181	-	-	26,64,181	26,64,181	-	26,64,181	-
6	Vehicles	18,53,083	-	-	18,53,083	18,53,083	-	18,53,083	-
	Total	31,96,95,675	-	(1,43,38,897)	30,53,56,778	30,53,56,778	-	30,53,56,778	-
									1,43,38,897



DEPRECIATION STATEMENT AS PER INCOME TAX ACT,1961.

Sl. No.	Particulars	Rate	Gross Block as on 01.04.2017	Additions during the year Less than 182 Days	Deletions during the year	Gross Block as on 31.08.2018	Depreciation for the year	Net Block as on 31.03.2018
								Rs.
1	Plant & Machinery	0	72,53,131	-	-	72,53,131	5,43,985	67,09,146
2	Other Assets	0	3,78,229	-	-	3,78,229	28,367	3,49,862
3	Office Equipment	0	12,91,870	-	-	12,91,870	96,890	11,94,980
4	Computers	0	166	-	-	166	33	133
5	Furniture	0	15,31,985	-	-	15,31,985	76,599	14,55,386
6	Vehicles	0	3,89,480	-	-	3,89,480	29,211	3,60,269
INTANGIBLE FIXED ASSETS:				-	-	-	-	-
TOTAL			1,08,44,861	-	-	1,08,44,861	7,75,086	1,00,69,775

NOTE: OPENING BALANCES TO BE CHECKED WITH IT RETURN

NOTES ON ACCOUNTS:
**22. Reconciliation of Net worth as previously reported under Indian GAAP Vs IND AS
(In Rupees)**

	March 31, 2018	March 31, 2017
Net worth as per IGAAP financials	16,33,70,195	17,77,28,901
Ind AS: Adjustments increase / (decrease):	-	-
Net worth as reported under IND AS	16,33,70,195	17,77,28,901

Reconciliation of PAT as previously reported under Indian GAAP Vs IND AS

	March 31, 2018	March 31, 2017
Net Profit/ (Loss) after Tax as per Previous Indian GAAP	(1,43,58,706)	(1,12,81,766)
Ind AS: Adjustments Profit increase / (decrease):	-	-
Net Profit/ (Loss) after Tax before OCI as per the IND AS	(1,43,58,706)	(1,12,81,766)

23. Disclosure of Remuneration to Auditors:

Particulars	2017-18 Amount (Rs.)	2016-17 Amount (Rs.)
Statutory Audit Fees	59,400	59,400
Tax Audit Fess	48,400	48,400
Other Services	18,700	18,700
GST/Service Tax	-	-
Total	1,26,500	1,26,500

24. Earnings Per Share:

Basic EPS before extraordinary items	-0.84
Diluted EPS before extraordinary items	-0.84

25. Segment Reporting:

As per the Indian Accounting Standard-108 Operating Segment Reporting is furnished hereunder:

(Rupees in Lakhs)

Particulars	Amount 31.03.2018	Amount 31.03.2017
Revenue		
(a) TV Software	18.75	20.78
(b) Studios & Equipment.	32.46	40.16
(c) Film Division	44.86	99.07
(d) Animation	24.86	70.93
(e) Unallocated	-	-
Total:	120.92	230.94

Results		
(a) TV Software	0.93	1.21
(b) Studios & Equipment.	4.41	6.24
(c) Film Division	0.15	9.55
(d) Animation	3.23	4.58
(e) Unallocated	-	-
Total:	8.72	21.58
Less: Other unallocable expenditure written off	8.30	133.31
Total profit before tax	0.42	(111.73)
Capital Employed		
(a) TV Software	131.16	124.54
(b) Studios & Equipment.	96.97	99.54
(c) Film Division	104.41	100.88
(d) Animation	132.79	94.23
(e) Unallocated	-	-
Total:	465.33	419.19

26. Taxes of Income:

Deferred Tax (Liability) amounting to Rs. 31,11,561 has been recognized due to the temporary differences arising on account of differences in carrying amount & tax base of assets and liabilities.

27. The company has made the payments to units covered Micro, small and Medium Enterprises Development act, 2006 in due time. There are no outstanding balances due to these units at the closure of the accounting year.
28. Previous year figures have been regrouped and rearranged wherever found necessary, to be in confirmative with current year classification.
29. Figures are rounded off to the nearest rupee.

Signature to Notes 1 to 29.

For P C N & Associates,

(Formerly Known as Chandra Babu Naidu & Co)

Chartered Accountants

Firm Registration no: 016016S

Sd/-

Lakshmi Prasanthi.S

Partner

M.No:236578

Place : Hyderabad

Date : 30th May, 2018



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

ATTENDANCE SLIP FOR 27TH ANNUAL GENERAL MEETING

Saturday - 29th September 2018

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

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

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

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

Name and address of First/sole shareholder:

I, hereby record my presence at the 27th Annual General Meeting of the Company to be held on Saturday 29th September, 2018 at 9.30 A.M at Hotel Trishul Grand, Adj to Metro Pillar No. 35, Main Road, Madhapur, Hyderabad - 500 081.

Name of the Member/Proxy

(Block Letters)

Signature of the Member/Proxy

Note:

- a. Only Member/Proxy can attend the Meeting. No minors would be allowed at the Meeting.
- b. Member/Proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and hand over at the entrance duly filled in and signed.
- c. Member/Proxy should bring his/her copy of the Annual Report for reference at the Meeting.



PADMAYALA TELEFILMS LIMITED

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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 27th Annual general meeting of the company, to be held on the Saturday 29th September 2018 at 9.30 A.M at Hotel Trishul Grand, Adj to Metro Pillar No. 35, Main Road, Madhapur, Hyderabad - 500 081 and at any adjournment thereof in respect of such resolutions as are indicated below:

SI No.	Resolutions
Ordinary business	
1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2018 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 re-appointment of Statutory Auditors of the Company

Signed this _____ day of _____ 2018

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.

Affix
Revenue
Stamp

**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

