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, 2017and in accordance with the amended Section 139 and other applicable provisions of the Companies Act, 213 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

Sd/-
(Bijay Kumar Khemka)
Chairman

Place : Hyderabad
Date : 1st September, 2018

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. Puttaparthi 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 your 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) 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. Durig 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. Puttaparthi 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 31st March 2018	Previous ended on 31st 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 ARRANGEMEMENTS 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: Nill

(d) Foreign exchange out go: Nill

PARTICULARS OF EMPLOYEES

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

STATUTORY AUDITORS

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.