

29th ANNUAL REPORT

2019-20



Padmalaya

TELEFILMS LIMITED

CONTENTS

	Page No.
NOTICE TO THE MEMBERS.....	2
DIRECTOR'S REPORT.....	10
REPORT ON CORPORATE GOVERNANCE.....	32
GENERAL SHARE HOLDERS INFORMATION.....	37
AUDITOR'S REPORT.....	43
BALANCE SHEET.....	52
PROFIT & LOSS ACCOUNT.....	54
CASH FLOW STATEMENT.....	55
NOTES TO FINANCIAL STATEMENTS.....	57
BALANCE SHEET ABSTRACT.....	63
ATTENDENCE SHEET AND PROXY FORM.....	71

CORPORATE INFORMATION**Board of Directors**

Sri. Tammareddy Bharadwaja -	Chairman (DIN: 07332749)
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)
Smt. Uma Devi Narravula -	Independent Director (DIN: 08537674)

Key Managerial Persons:

Sri. G.V.Narasimha Rao -	CEO
Sri. MVRS Suryanarayana -	CFO & Compliance Officer

Registered & Administrative Office

Plot No. 138, H.No. 8-3-222/1/23,
Madhuranagar, Yousuf Guda,
Hyderabad – 500 038

Statutory Auditors

M/s. P C N & Associates.,
Chartered Accountants
Plot No. 12, “N Heights”
Software Unit Layout, Cyberabad
Hyderabad – 500 081

Bankers

Punjab National Bank
UTI Bank Limited

Share Transfer Agents

KFin Technologies Private Limited, (earlier known as Karvy Fintech Private Limited)
(“KFin” or “KFintech”)
Selenium Tower B, Plot Nos. 31 & 32 Financial District
Nanakramguda, Serilingampally Mandal, Hyderabad – 500032, India
P: +91 40 6716 2222
www.kfintech.com

Listing

BSE Limited, Mumbai

Corporate Identification Number : L92111TG1991PLC013222

PADMALAYA TELEFILMS LIMITED**NOTICE**

Notice is hereby given that the 29th Annual General Meeting of M/s. Padmalaya Telefilms Limited will be held on Wednesday, the 30th day of September 2020 at 9.30 AM at State Gallery of fine arts, Road No.1, Kavuri Hills, Madhapur 500 033 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, 2020 including audited Balance Sheet as at 31st March, 2020 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.

SPECIAL BUSINESS

2. To consider and if thought fit, to pass, with or without modifications, the following resolution as Special Resolution:

Regularisation of Sri. Tammareddy Bharadwaja (DIN: 07332749), as Director of the Company

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Sri. Tammareddy Bharadwaja (DIN: 07332749), who was appointed by the Board of Directors as an Additional Director of the Company w.e.f 30th September 2019, and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("Act") and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company".

RESOLVED FURTHER THAT any one of the Directors be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution".

3. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:

Appointment of Sri. Sakhamuri Sreenivasa Rao (DIN: 01691043), as Independent Director of the Company

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Sri. Sakhamuri Sreenivasa Rao (DIN: 01691043), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, for a period of Five Years."

By Order of the Board of Directors

Place : Hyderabad

Date : 5th September 2020

Sd/-

(G.V.Narasimha Rao)

CEO & Executive Director

Notes:

1. A Statement relating to appointment of Directors 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 Thursday, 24th September 2020 to Wednesday, 30th September 2020 (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, & 3, 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 KFin Technologies Private Limited, Registrar & Transfer Agent of the Company, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFintech"). Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.
6. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutiniser at e-mail ID pjagan123@gmail.com with a copy marked to murthy.psrch@kfintech.com and to the Company at padmalayatelefilms@gmail.com, authorizing its representative(s) to attend and vote on their behalf at the Meeting, pursuant to Section 113 of the Act.
7. 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.

8. **ELECTRONIC DISPATCH OF NOTICE AND ANNUAL REPORT:** In accordance with the MCA General Circular No. 20/2020 dated 5th May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, in view of the prevailing situation and owing to the difficulties involved in dispatching physical copies of the financial statements (including Board's Report, Auditor's Report or other documents required to be attached therewith) for the Financial Year ended 31st March, 2020 pursuant to section 136 of the Act and Notice calling the Annual General Meeting pursuant to section 101 of the Act read with the Rules framed thereunder, such statements including the Notice of AGM are being sent only in electronic mode to those Members whose e-mail addresses are registered with the Company/ KFinTech or the Depository Participant(s).

The Company will not be dispatching physical copies of such statements and Notice of AGM to any Member. Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with KFinTech by following due procedure.

9. For ease of conduct of AGM, members who wish to ask questions/express their views on the items of the businesses to be transacted at the meeting are requested to write to the Company's investor email-id padmalayatelefilms@gmail.com, at least 48 hours before the time fixed for the AGM mentioning their name, demat account no./folio number, email ID, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the AGM.
10. 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 23rd September 2020, 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 10.00 a.m. on Sunday, 27th September 2020 and will end at 5.00 p.m. on Tuesday, 29th September 2020. 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

- I. The Company has entered into an arrangement with M/s KFin Technologies Private Limited, (earlier known as Karvy Fintech Private Limited) ("KFin" or "KFinTech") 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: pjagan123@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 Sunday, September 27th, 2020 at 10:00 a.m. and ends on Tuesday, September 29th, 2020 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 Wednesday, 23rd September 2020, 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>. (KFintech'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 Wednesday, 23rd September, 2020.
- 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 2020 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 | |
- II. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. KFintechologies Pvt. Ltd / Investor Service Department of the Company immediately.
- III. 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. KFintechologies Pvt. Ltd / Investor Service Department of the Company.

- IV. 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.
- V. 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 REQUIRED TO BE FURNISHED

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

I	Name	:	Tammareddy Bharadwaja
	Date of Birth (Age)	:	3 rd June 1948 (72) Years
	Qualifications	:	Graduation
	Profile / Experience	:	<p>He is a renowned and an Indian film producer and director. He is one of the successful Telugu film producers and respected personality in Tollywood Film Industry. He is the son of veteran producer Tammareddy Krishna Murthy.</p> <p>He did his B.E. in the College of Engineering, Osmania University. He pursued his career as a Civil Engineer in Andhra Pradesh's irrigation department and also had a brief stint at Hyderabad municipal corporation. He then stepped into film industry in 1979 as a producer and director.</p> <p>He has produced / Directed more than 30 films and many films have won the Prestigious Nandi Awards from the Andhra Pradesh Government</p> <p>He himself has acted in the films and distributed the films also.</p>
	Other Directorships / Partnerships	:	<ol style="list-style-type: none"> 1. Y Screens Entertainment (India) Ltd. 2. Dedipya Entertainment Pvt Ltd 3. Maha Silica Mines and Minerals LLP

II	Name	:	Sreenivasa Rao Sakhamuri
	Date of Birth (Age)	:	05/04/1970 (50) Years
	Qualifications	:	Graduation
	Experience	:	Having knowledge about the Financial & Audit Matters
	Other Directorships (in Companies)	:	<ol style="list-style-type: none"> 1. Yamuna Enterprises Pvt Ltd 2. Green Chillies Entertainment Pvt Ltd

Explanatory Statement

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 2 :

Appointment of Sri. Tammareddy Bharadwaja as Director of the Company

Sri Tammareddy Bharadwaja was inducted on the Board of the Company as an Additional Director and also as a Chairman of the Company w.e.f. 30th September 2019, and who shall hold the office as an Additional Director till the commencement of this Annual General Meeting and now it is proposed to regularise his appointment as the Director.

Sri. Tammareddy Bharadwaja shall continue to be the Chairman of the Company.

Notices have been received from Members proposing candidature of the above Director for the office of Director of the Company. In the opinion of the Board, he fulfil the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Director of the Company. A copy of the draft Letter of Appointment for Director, setting out terms and conditions of his appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Hence, the above resolution at item no. 2 is submitted to the meeting for the approval by the members of the Company.

The Board of Directors re-commends the above resolution at item no. 2 for the members' approval in the Annual General Meeting

None of the relatives of the proposed appointee is in the management of the Company or related to the business of the Company.

None of the Directors, Managers (if any) and Key Managerial Persons of the Company is concerned or interested (financial / otherwise) in this resolution.

Item No. 3:

Appointment of Mr. Sakhamuri Sreenivasa Rao as Independent Director of the Company

Sakhamuri Sreenivasa Rao has been on the Board of the Company since 22nd January 1997 and was the Executive Director of the Company till 2016 .

Notices have been received from Members proposing candidature of the above Director for the office of Independent Director of the Company. In the opinion of the Board, he fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder for appointment as Independent Director of the Company. It is proposed to appoint him as the Independent Director to fall in line with the SEBI compliances . A copy of the draft Letter of Appointment for Independent Director, setting out terms and conditions of his appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.