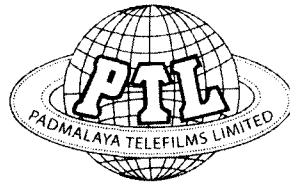


22<sup>ND</sup>  
ANNUAL REPORT  
2012 - 13



*Padmalaya*  
TELEFILMS LIMITED

## Corporate Information

### Board of Directors

Sri. Bijay Kumar Khemka	-	Chairman
Sri. G.V.Narasimha Rao	-	Executive Director
Sri. S.Sreenivasa Rao	-	Director - Works
Dr. D.V.N.Raju	-	Director
Sri. V.Srihari	-	Director

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

### Bankers

Allahabad Bank  
ING Vysya Bank

### Share Transfer Agents

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

### Listing

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

---

## CONTENTS

	Page No.
NOTICE TO THE MEMBERS.....	1
DIRECTORS' REPORT.....	3
REPORT ON CORPORATE GOVERNANCE.....	6
GENERAL SHARE HOLDERS INFORMATION.....	10
AUDITORS' REPORT.....	15
BALANCE SHEET.....	18
PROFIT & LOSS ACCOUNT.....	19
SIGNIFICANT ACCOUNTING POLICIES.....	20
CASH FLOW STATEMENT.....	21
NOTES TO FINANCIAL STATEMENTS.....	22
BALANCE SHEET ABSTRACT.....	32
ATTENDENCE SHEET AND PROXY FORM.....	33



## NOTICE

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of M/s. Padmalaya Telefilms Limited will be held on Monday, the 30<sup>th</sup> day of September 2013 at 9:30 AM at State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Madhapur, Hyderabad-500 033 to transact the following business:

### ORDINARY BUSINESS :-

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2013 and Profit & Loss Account as on that date along with the Report of Auditors' and the Board of Directors' thereon.
2. To appoint a Director in place of Sri. Bijay Kumar Khemka, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. D.V.N. Raju, who retires by rotation and being eligible, offers himself for reappointment.
4. To re-appoint Statutory Auditors and fix their remuneration and, in that behalf, to consider and if thought fit, to pass the following resolution as an ordinary Resolution:

"RESOLVED THAT M/s P. Murali & Co., Chartered Accountants, Hyderabad (Firm's Registration number 007257S) be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the Next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors on the recommendation of the Audit Committee."

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2013

By Order of the Board of Directors

Sd/-  
(Bijay Kumar Khemka)  
Chairman



**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY FORM DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 27<sup>th</sup> September 2013 to 30<sup>th</sup> September 2013 (Both Days Inclusive).
3. The attendance slip is annexed to the proxy form, Members/proxies are requested to duly fill in and affix their signatures at the space provided therein and hand over the same at the entrance of the place of the meeting.
4. Members desiring any information should send their request at least seven days before the meeting so as to enable the company to keep the information ready, and the Members/Proxies are requested to bring the copies of the Annual Report to the Meeting and the same will not be distributed at the meeting.

**Information required under the Listing Agreement.**

1. Brief profile of Sri Bijay Kumar Khemka, who retires by rotation and eligible for re-appointment.

Sri Bijay Kumar Khemka, aged about 62 years, having Vast experience in Motion Picture Production and Distribution, he has distributed more than 100 Hindi Films and 25 Bengali films in eastern Circuit and has produced the Biggest Bengali Hit film "Beder Meya Joshna". Sri Bijay Kumar Khemka is the former Senior Vice-President of Easter India Motion Pictures Association.

2. Brief profile of Dr.D.V.N.Raju who retires by rotation and eligible for re-appointment.

Dr. D.V.N.Raju, aged about 71 years, is a Doctor by profession and holds M.B.B.S. Degree from Andhra University and also pursued his Masters Degree in D.V.(M.S) from Madras University. In addition to the medical practice, he was the Executive Producer for many Telugu Films and also the Member of the Production Committee. He has also produced more than 20 feature films in his career.

By Order of the Board of Directors

Sd/-

(Bijay Kumar Khemka)  
Chairman

Place : Hyderabad  
Date 14<sup>th</sup> August, 2013

## Directors' Report

To

The Members

Your Directors have pleasure in presenting the 22<sup>nd</sup> Annual Report on the business of your company and the Audited Statements of Accounts for the year ended on 31<sup>st</sup> March, 2013 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 on 31 <sup>st</sup> March 2013	Previous Year ended on 31 <sup>st</sup> March 2012
Turn Over	247.09	333.05
Profit / (Loss) Before Depreciation, Tax & Prior Period Adj.	105.51	158.75
Profit / (Loss) after Tax & Before Prior Period Adjustments	(98.38)	16.67
Profit / (Loss) after Tax & Prior Period Adjustments	(35.70)	(931.05)
Add: Profit/(Loss) brought Forward from last year	(8,413.19)	(7,482.13)
Profit / (Loss) Carried forward to Balance Sheet	(8,448.89)	(8,413.19)

### Business Performance Review

During the year under review, the Company has reviewed all its business divisions and your company's performance is not encouraging 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, providing the special effects (VSF) to the feature films of all languages and multi-starred Film Production, tie ups with experts in the market to overcome the paucity of the finances.

### Dividend

Due to inadequacy of profits, the Board could not recommend dividend during the year under review.

### Statutory Disclosures

ADDITIONAL INFORMATION REQUIRED UNDER SECTION 217(1) (E) OF THE COMPANIES ACT, 1956

### Conservation of Energy

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.

### Research and Development and Technology Absorption

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

### Foreign Exchange Earnings and Outgoing

- |                                    |     |
|------------------------------------|-----|
| 1. Total Foreign Exchange earned   | Nil |
| 2. Total Foreign Exchange utilized | Nil |

### Particulars of Employees

There are no employees whose particulars are required to furnish under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, are to be disclosed.

### Public Deposits

Your company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31<sup>st</sup> March, 2013.

#### Directors'

Sri Bijay Kumar Khemka and Dr. D.V.N.Raju, Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment.

#### Statutory Auditors

M/s.P.Murali & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends the re-appointment of M/s. P. Murali & Co. Chartered Accountants, as Statutory Auditor for the period from the Conclusion of this Annual General Meeting to Next Annual General Meeting.

#### Reply to Auditors Qualifications

The Board has furnished the following in respect of the qualification by the Auditors:

Management is in the process of re-negotiating of OTS with the HDFC bank. A detailed note was given in the Notes to the accounts.

#### Corporate Governance

Pursuant to clause 49 of the Listing Agreement executed with the stock exchanges the Company has complied with all the provisions of the corporate governance. The detailed note in this regard is provided in this annual report elsewhere. A certificate from the Statutory Auditors of the company regarding compliance of conditions of Corporate Governance is attached to this report.

#### Management Discussion and Analysis

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

#### Directors' Responsibility Statement Pursuant to Section 217 (2AA) of the Companies Act, 1956.

We the Directors confirm.

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- b. That we 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 and of the loss of the company for that period
- c. That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d. That we have prepared the annual accounts On Going Concern basis.

#### HUMAN RESOURCE AND EMPLOYEE RELATIONS

The Board of Directors would like to place on record its deep appreciation to all the employees for their dedicated services to the company. Our organizational culture and work environment is central to our ability to complete effectively. The relationship with the employees continues to be cordial.

#### ACKNOWLEDGEMENTS

Your Directors take this opportunity to express their thanks to various departments of Central and State Governments, Banks, the Suppliers, Customers and Shareholders of the Company for their continued assistance, support and guidance.

By Order of the Board of Directors

Place : Hyderabad

Date : 14<sup>th</sup> August, 2013

Sd/-

(Bijay Kumar Khemka)

Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### MEDIA AND ENTERTAINMENT INDUSTRY OVERVIEW

The Media & Entertainment Industry in India is expected to reach Rs 1,457 billion by 2016 as per the FICCI-KPMG report. The industry achieved a growth of 12% in 2011 and is projected to grow at a CAGR of 15 percent over the next five years. The spends on leisure and entertainment are greater than the economic growth, this is a result of favourable demographics and increasing disposable incomes. The Indian Media & Entertainment (M&E) sector is growing rapidly, especially with new age technology and the rapid rise of digital media.

### INDIA'S FILM INDUSTRY

According to India Brand Equity Foundation, the Indian media and entertainment (M&E) industry has massive reach. The industry is largely driven by increased digitisation, growth of regional media, robust film industry and emergence of new media for content delivery. The Indian M&E industry is projected to grow 11.8 per cent to clock revenues worth Rs 91,700 crore (US\$ 16 billion) in 2013, according to an industry report. While conventional media such as television (TV), print and radio continue to be dominant segments, animation, visual effects, films and music are also posting strong progress owing to content and the benefits of digitisation. Moreover, the Government's drive towards digitalisation and addressability for cable television by 2014 is expected to provide a boost to direct-to-home (DTH) and digital cable growth. In a nutshell, alignment of entertainment, information and telecommunication is increasingly affecting India's overall M&E industry. Launch of more advanced media devices over the last decade has facilitated access of the same content on a variety of media platforms. This is helping in emergence of new business models and revenue streams, not only for content providers, but for a variety of new players becoming a part of the new media ecosystem. With all these factors well-in-place, the M&E sector certainly is marching towards new horizons of growth.

- The Indian M&E industry grew from Rs 728 billion (US\$ 13.6 billion) in 2011 to Rs 820 billion (US\$ 14.18 billion) in 2012; marking a growth of 12.6 per cent.
- Furthermore, television continued to be a dominant segment in the M&E industry while new media sectors (like animation/VFX) and Films and Music segments recorded strong growth. Radio is expected to witness great emancipation, post the roll-out of Phase 3 licensing, at a compounded annual growth rate (CAGR) of 16.6 per cent over 2012-17.
- India's M&E industry is expected to get double in size to Rs.1.66 trillion (US\$ 28.72 billion) by 2017, from Rs.82,000 crore (US\$ 14.19 billion) in 2012, which would be a compounded annual growth rate (CAGR) of 15.2 per cent, according to the Indian Media and Entertainment Industry Report 2013 by KPMG with an industry body.

### COMPANY'S PERFORMANCE

#### Business Performance Review

During the year under review, the Company has reviewed all its business divisions and hope that your company's performance is encouraging 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, providing the special effects (VFX) to the feature films of all languages and multi-starred Film Production, tie ups with experts in the market to overcome the paucity of the finance.

### 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.

New Piracy Laws were introduced in India to curb the piracy and to make special provisions for suppression of piracy and to provide for punishment for the offence of piracy and for matters connected therewith or incidental thereto, which will be helpful for the film industry.

## REPORT ON CORPORATE GOVERNANCE

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

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

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

### 2. Board of Directors

#### a. Composition of the Board

The company has five Directors, comprises of 2 Executive and 3 Non Executive Directors. Out of two Executive Directors, one is from the promoter category and the remaining Non-Executive Directors are professional / independent. The professional / 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	1	Nil
2	G.V.Narasimha Rao	Promoter Executive	Executive Director	Nil	Nil
3	S.Sreenivasa Rao	Non Promoter Executive	Director- Works	Nil	Nil
4	V.Srihari	Independent	Director	Nil	Nil
5	Dr D.V.N.Raju	Independent	Director	1	Nil

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

S.No	Date of Board Meeting
1	12/05/2012
2	13/08/2012
3	03/09/2012
4	14/11/2012
5	14/02/2013



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	5	Yes
G.V.Narasimha Rao	5	Yes
S.Sreenivasa Rao	5	Yes
V. Srihari	4	No
Dr. D.V.N. Raju	5	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 292 A of the Companies Act, 1956. 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 Auditors and fixation of their remuneration.

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" Non-Executive Directors. Audit Committee consists of the following members:

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

c) Meetings and Attendance during the year

Name of Members	No. of Meetings held	No. of Meetings Attended
V.Srihari	5	4
Bijay Kumar Khemka	5	5
Dr. D.V.N. Raju	5	5

c. Audit Committee Meetings held During the Year

S.No	Date of Audit Committee Meeting
1	12/05/2012
2	13/08/2012
3	03/09/2012
4	14/11/2012
5	14/02/2013



#### 4. Remuneration Policy

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

The Remuneration Committee comprises the following Directors:

Dr. D.V.N. Raju	- Chairman
V. Srihari	- Member
Bijay Kumar Khemka	- Member

Details of Remuneration to the Executive Directors paid/ payable for the financial year 2012-13 is as follows

Rs.lakhs

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

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

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

As a measurement of Good Corporate Governance and to focus on the shareholders' grievance and towards strengthening investor relations, an Investors' Grievance Committee has been constituted as sub committee of the Board.

In Pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992(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 Mr. M.V.R.S. Suryanarayana - Executive of the Company as the Compliance Officer.

a) The function of the Committee include:

To specifically look into redressing investors' 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) Constitution and composition

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

Dr. D.V.N.Raju	-	Chairman
V. Srihari	-	Member
Bijay Kumar Khemka	-	Member

**6. Investor Complaints Received and resolved during the Year 2012-2013**

Nature of Complaints	Received	Resolved	Pending
A. Non-receipt of Dividend Warrants	Nil	Nil	Nil
B. Non receipt of Annual Reports	2	2	Nil
C. Non Receipt of share Certificates	1	1	Nil

**7. General Body Meetings**

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

AGM No.	Financial Year	Date	Time	Venue
21st	31.03.2012	29.09.2012	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
20th	31.03.2011	30.09.2011	09.30 a.m	State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Hyderabad-500033
19th	31.03.2010	30.09.2010	09.30 a.m	SONY'Z Garden, Plot No.3940, Bhagyanagar Phase - II, KPHB Colony, Hyderabad - 500 072.

b) Special Resolutions passed in 21<sup>st</sup> Annual General Meeting of the Company:

Re-appointment of Sri G.V.Narasimha Rao as Executive Director for a period of five year w.e.f. 01.03.2012.

- c) During the year under review, no Extra-ordinary General Meetings were held.  
d) During the year under review, 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 Clause 49 of the Listing Agreement and is enclosed at the end of the report.
- 2) During the Financial year 2012-13 the company has a related party transactions with M/s.Yamuna Enterprises Private Limited and has paid Rs.0.05 Lakhs and with M/s. Sri Geethika Films & Media Limited Rs.1.50 Lakhs paid as an advance, in regular course of business.
- 3) The company has complied with the requirements of statutory and regulatory authorities of capital market and no penalties/strictures have been imposed against it in the last three years.

**9. Code of Conduct**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**10. Means of Communication**

Pursuant to the Listing Agreement, Financial Results are generally published in National news papers like Financial Express, Business Standard, Indian Express and in Regional Language newspapers like Andhra Bhoomi, Vaartha, Andhra Prabha etc. As the Financial Results of the company are being published in newspapers and submitted to the stock exchanges immediately after the Board Meeting.



## General Share Holders Information

### 1. Annual General Meeting :

Date : 30.09.2013  
 Time : 9.30 AM.  
 Venue : State Gallery of Fine Arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad-500 033

### 2. Financial Calendar : 1<sup>st</sup> April to 31<sup>st</sup> March (2013-14)

Financial Reporting for:  
 Quarter ending June, 30 2013 : Board meeting held on 14<sup>th</sup> August, 2013  
 Quarter ending September, 30 2013 : Second Week of November, 2013  
 Quarter ending December, 31 2013 : Second Week of February, 2014  
 Quarter ending March, 31 2014 : Second Week of May, 2014  
 Annual General Meeting (Next year) : Last week of September, 2014

### 3. Date of Book Closure : 27/09/2013 to 30/09/2013 (Inclusive of both days)

### 4. Listing on Stock Exchanges : The Bombay Stock Exchange Limited, Mumbai National Stock Exchange of India Limited, Mumbai

### 5. Listing Fee : Listing fee for the year 2013-14 has been paid.

### 6. Stock Code : BSE :- 532350 NSE :- PADMALAYAT

### 7. Market Price Data: Monthly High and Low quotations of shares traded on the Bombay Stock Exchange, from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013 are as stated hereunder.

Year 2012-13	BSE	
	High	Low
April, 2012	4.35	3.05
May, 2012	4.88	3.66
June, 2012	4.14	3.24
July, 2012	4.26	3.20
August, 2012	3.60	2.66
September, 2012	4.25	2.70
October, 2012	5.30	3.55
November, 2012	3.99	2.95
December, 2012	3.31	2.42
January, 2013	2.73	2.20
February, 2013	2.48	1.96
March, 2013	2.17	1.36

• The Trading in the equity shares of the Company at National Stock Exchange of India Limited has been suspended.

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

### 9. Share Transfer System

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

10. Distribution of Shareholding : As on 31-03-2013

Category	No. of Share Holders	% of Share Holders	Amount Rs.	% of Amount
From To				
1 5000	10,790	76.62	2,00,17,680	11.78
5001 10000	1,622	11.52	1,39,74,250	8.22
10001 20000	809	5.74	1,28,00,260	7.53
20001 30000	291	2.07	75,61,020	4.45
30001 40000	129	0.91	46,69,710	2.75
40001 50000	130	0.92	62,11,870	3.65
50001 100000	158	1.12	1,14,95,960	6.76
100000 and above	153	1.09	9,32,69,250	54.86
Total	14,082	100.00	17,00,00,000	100.00

11. Shareholding Pattern : As on 31-03-2013

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Total shareholding as a percentage of total number of shares	Shares Pledged or otherwise encumbered	
					Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	5	87,455	0.51	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	2	1,688,019	9.93	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-
	Sub Total	7	1,775,474	10.44	-	-
2	Foreign					
a	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-
c	Institutions	-	-	-	-	-
d	Any Others(Specify)	-	-	-	-	-
	Sub Total	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	1,775,474	10.44	-	-
(B)	Public shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	-	-	-	-	-
(b)	Financial Institutions / Banks	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-
	Sub-Total	-	-	-	-	-

B 2	Non-institutions					
(a)	Bodies Corporate	312	3,912,666	23.02	-	-
(b)	Individuals					
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	13,605	7,259,007	42.70	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	119	4,003,505	23.55	-	-
(c)	Any Other (specify)	-	-	-	-	-
(c-i)	Non-Residential Individuals	36	45,133	0.27	-	-
(c-ii)	Trusts - Clearing Members	3	4,215	0.02	-	-
	<b>Sub-Total</b>	<b>14,075</b>	<b>15,224,526</b>	<b>89.56</b>	-	-
B	Total Public Shareholding	14,075	15,224,526	89.56	-	-
	<b>TOTAL</b>	<b>14,082</b>	<b>17,000,000</b>	<b>100.00</b>	-	-
C	Shares held by Custodians					
	and against which Depository Receipts have been issued					
1	Promoter and Promoter Group	-	-	-	-	-
2	Public	-	-	-	-	-
	<b>Sub-Total</b>	-	-	-	-	-
	<b>GRAND TOTAL</b>	<b>14,082</b>	<b>17,000,000</b>	<b>100.00</b>	-	-

**12. 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 INE 243B01016.

Details of Shares Dematerialised as on 31/03/2013

Particulars	No. of Shares	% of Share Capital
NSDL	95,71,137	56.30
CDSL	36,02,412	21.19
Physical	38,26,451	22.51
<b>TOTAL</b>	<b>1,70,00,000</b>	<b>100.00</b>

**13. Outstanding GDR/warrants and**

Convertible or Any Convertible Instruments : Not Applicable

**14. NOMINATION FACILITY:**

Share holding shares in physical form and desirous of making changes in the nomination in respect of their shareholders holding in the company, as permitted under section 109A of the Companies Act, 1956 are requested to submit to the registrars in the prescribed form for this purpose.

**15. Works Location**

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

Feature Film Distribution Offices

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

**16. 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



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

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

- a) We have reviewed financial statements and the Cash Flow statement for the year ended 31<sup>st</sup> March 2013 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 violative 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 operation such 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 we 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 over Financial Reporting.
- 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 : 14<sup>th</sup> August, 2013

Sd/-  
G.V.Narasimaha Rao  
Executive Director

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

## CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE

To  
The Members,  
Padmalaya Telefilms Limited  
Hyderabad.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of corporate governance of M/s Padmalaya Telefilms Limited ("the company") for the year ended 31<sup>st</sup> March, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

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 according to explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

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

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

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2013

## CERTIFICATE OF CODE OF CONDUCT FOR THE YEAR 2012-13

PTL is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Ethics and Business Conduct" which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2012-13.

Place : Hyderabad  
Date : 14<sup>th</sup> August, 2013

Sd/-  
(Bijay Kumar Khemka)  
Chairman



## Independent Auditors Report

To  
The Shareholders  
Padmalaya Telefilms Limited  
Hyderabad.

### Report on the Financial Statements:

We have audited the accompanying financial statements of M/S PADMALAYA TELEFILMS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

Place : Hyderabad  
Date 30<sup>th</sup> May, 2013

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

## Annexure to Auditors' Report

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
(b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.  
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Inventory has been physically verified during the year by the Management and in our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of the physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory and as explained to us, no material discrepancies were noticed on physical verification of stocks as compared to book records.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) As the Company has not granted any loans, the Clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under Section 301 prejudicial to the interest of company, is not applicable.  
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties, is not applicable to the company.  
(d) No loans have been granted to Companies, Firms and other parties listed in the register U/S 301 of the Companies Act, 1956. Hence, over due Amount of more than rupees one Lac does not arise and the clause is not Applicable.  
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.  
(f) As the Company has not taken any loans, the clause of whether the rate of interest and other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.  
(g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company.
- IV. In our opinion and according to the information and explanations given to us, there are generally adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in internal control.
- V. (a) In our opinion and according to the information and explanation given to us, since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.  
(b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having internal audit system, commensurate with its size and nature of its business.
- VIII. In respect of the Company, the Central Government has not prescribed maintenance of Cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- IX. (a) The Company is regular in depositing statutory dues including PF, ESI, Income Tax, Cess & other statutory dues with the appropriate authorities and at the end of last financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.

- (b) According to the information and explanations given to us, no undisputed amounts are payable in respect of PF, ESI, Income Tax, Cess and any other statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and the company has no accumulated losses at the end of the financial year and the company has not incurred cash losses in this financial year and in the immediately preceding financial year.
- XI. According to information and explanations given to us, the company has defaulted in repayment of loan to HDFC Banks an amount of Rs. 4.48 crores.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi/Mutual Benefit Fund/Societies.
- XIV. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, Debentures and other investments and hence the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003, are not applicable to the Company.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company .
- XVI. According to the information and explanations given to us, the Company has not obtained Term Loans. The utilization of term loan does not arise.
- XVII. According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year, hence the clause regarding the disclosure by the management on the end use of money raised by public issue is not applicable.
- XXI. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under audit.

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

Place : Hyderabad  
Date 30<sup>th</sup> May, 2013

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

**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	Note No.	As on March 31, 2013 Rs.	As on March 31, 2012 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
a) Share Capital	1	169,976,000	169,976,000
b) Reserves and Surples	2	4,347	3,574,348
<b>2. Non-current liabilities</b>			
a) Long-term borrowings	3	44,878,382	44,878,382
b) Deferred Tax Liabilities/(Asset)	4	10,501,908	16,770,047
c) Other Provisions	5	15,465,567	15,531,154
<b>3. Current Liability</b>			
a) Short-term borrowings	6	4,150,000	5,000,000
b) Trade Payable	7	7,242,688	7,242,688
c) Other current liabilities	8	41,783,547	40,195,475
d) Short-term provisions	9	246,103	138,118
<b>Total</b>		<b>294,248,542</b>	<b>303,306,212</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
Fixed assets:			
a) Tangible & Intangible assets	10	47,612,424	68,001,713
b) Other Non Current Assets	11	128,000	128,000
<b>2. Current assets</b>			
a) Inventories	12	131,313,770	131,313,770
b) Trade Receivables	13	47,916,806	34,535,437
c) Cash and Bank balances	14	411,865	2,631,207
d) Loan and Advances	15	66,865,677	66,696,085
<b>Total</b>		<b>294,248,542</b>	<b>303,306,212</b>

Significant Accounting Policies & Notes to the Financial Statements

The Accompanying notes are an Integral Part of the Financial Statements

As Per Our Report Of Even Date

for PADMALAYA TELEFILMS LIMITED

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

Sd/-  
R Murali Mohana Rao  
Partner  
Membership No. 23412

Sd/-  
Dr.D.V.N Raju  
Director

Sd/-  
S. Sreenivas Rao  
Director - Works

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2013

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013**

PARTICULARS	NOTE No.	FOR THE YEAR ENDED 31/03/2013	FOR THE YEAR ENDED 31/03/2012
		Rs.	Rs.
I. Revenue from Operations	16	24,254,073	33,305,356
II. Other Income	17	455,328	401,885
III. Total Revenue (I +II)		24,709,401	33,707,241
IV. Expenses:			
Cost of Materials	18	8,214,876	16,003,249
Changes in Inventories of Finished goods, WIP and Stock-in-Trade	19	--	(5,000,000)
Employee Benefit Expenses	20	2,350,824	3,328,111
Other Operating Expenses	21	337,300	349,350
Administrative Expenses	22	3,249,457	3,149,496
Financial Costs	23	5,795	2,104
Depreciation and amortization expense	10	20,389,289	20,453,529
Total Expenses		34,547,541	38,285,839
V Profit before exceptional and extraordinary items and tax		(9,838,140)	(4,578,598)
VI. Bad Debts		-	-
VII. Profit before extraordinary items and tax		(9,838,140)	(4,578,598)
VIII. Extraordinary Items		-	-
IX. Profit Before Tax		(9,838,140)	(4,578,598)
X. Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax Asset /(Liability)		6,268,139	6,245,538
XI. Profit/(Loss) for the period from Continuing Operations		(3,570,001)	1,666,940
XII. Prior Period Adjustment		-	94,772,636
XIII. Profit/(Loss) after Tax & prior period adjustment		(3,570,001)	(93,105,696)
XIV. Balance Brought Forward		(841,318,555)	(748,212,859)
XV. Profit/(Loss) for the period		(844,888,556)	(841,318,555)
XVI. Earning per equity share:			
(1) Basic		(0.21)	(5.48)
(2) Diluted		(0.21)	(5.48)
Significant Accounting Policies & Notes to the Financial Statements			
The Accompanying notes are an Integral Part of the Financial Statements			

As Per Our Report Of Even Date

for PADMALAYA TELEFILMS LIMITED

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

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

Sd/-  
Dr. D.V.N Raju  
Director

Sd/-  
S. Sreenivas Rao  
Director - Works

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2013

## SIGNIFICANT ACCOUNTING POLICIES

### Description of Business:

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

#### 1. Basis of accounting:

These financial statements are prepared under historical cost convention as a going concern and on accrual basis in accordance with the generally accepted accounting principles in India and as per applicable accounting standards (AS) issued by institute of chartered accountants of India as notified under Companies act (Accounting standards) rules, 2006.

#### 2. Fixed assets and depreciation:

Fixed assets are stated at historical cost (net of CENVAT & VAT credit in applicable cases) less accumulated depreciation thereon (in line with provisions of AS-10). Depreciation on tangible assets is provided on straight line method at the rates specified in the Schedule XIV to the companies act, 1956. Assets costing Rs.5000/- or less (as adopted as materiality threshold) are charged to expenses in the year of purchase.

#### 3. Inventories:

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

#### 4. Deferred Tax:

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

#### 5. Revenue recognition:

Sales of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which are generally on handing over of goods / services (in our case). Export sales are recognized on the basis of bill of lading / Airway bill. (In line with provisions of Para 6.1 of AS-9).

#### 6. Foreign currency transactions:

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

#### 7. Taxes on income:

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

#### 8. Employee Benefits:

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

#### 9. Borrowing Costs:

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

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

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

#### 11. Impairment of Assets:

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

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31/03/2013

	PARTICULARS	2012-13	2011-12
I.	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>	<b>Rs.</b>	<b>Rs.</b>
	Net Profit/(Loss) before Tax & Extraordinary Items	(9,838,140)	(4,578,598)
	Add: Depreciation	20,389,289	20,453,529
	<b>Operating Cash Flows before Working Capital Changes &amp; Extraordinary Items</b>	<b>10,551,149</b>	<b>15,874,931</b>
	<b>ADJUSTMENT FOR WORKING CAPITAL CHANGES:</b>		
	Decrease/(Increase) in Inventory	-	(5,000,000)
	Decrease/(Increase) in Trade Receivables	(13,381,369)	(13,458,952)
	Decrease/(Increase) in Loans & Advances	(169,592)	6,656,048
	Increase/(Decrease) in Trade Payables	-	(300,000)
	Increase/(Decrease) in Short Term Borrowings	(850,000)	-
	Increase/(Decrease) in Other Current Liabilities	1,588,072	(1,105,304)
	Increase/(Decrease) in Short Term Provisions	107,985	(734,826)
	<b>Operating Cash Flows After Working Capital Changes but before adjustment for Extraordinary Items &amp; Prior Period Items</b>	<b>(2,153,755)</b>	<b>1,931,897</b>
	Add/(Less) Adjustment for Extraordinary & Prior Period items	-	(51,896)
	<b>Net Cash Used in Operating Activities (I)</b>	<b>(2,153,755)</b>	<b>1,880,001</b>
III.	<b>Cash Flow from Investing Activities:</b>		
	Decrease/( Increase ) In Non Current Assets	-	40,100
	<b>Net Cash Used in Investment Activities (II)</b>	<b>-</b>	<b>40,100</b>
	Increase/(Decrease) In Long Term Borrowings	-	85,400
	Increase/(Decrease) In Non Current Liabilities	(65,587)	-
	<b>Net Cash Flow from Financing Activities (III)</b>	<b>(65,587)</b>	<b>85,400</b>
	<b>Opening Balance of Cash &amp; Cash Equivalents</b>	<b>2,631,207</b>	<b>625,706</b>
	<b>Net Cash Used During the Year</b>	<b>(2,219,342)</b>	<b>2,005,501</b>
	<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>411,865</b>	<b>2,631,207</b>

For and on behalf of the Board of Directors

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2013

Sd/-  
Dr. D.V.N.Raju  
Director

Sd/-  
S. Sreenivasa Rao  
Director - Works

### CERTIFICATE

We have examined the attached cash flow statement of M/s. Padmalaya Telefilms Limited for the year ended 31/03/2013. The statement has been prepared by the Company in accordance with requirements of clause 32 of listing agreement with stock exchanges and is based on and in agreement with the corresponding Profit and Loss account and Balance Sheet of the Company covered by our report dated 30<sup>th</sup> May 2013 to the members of the Company.

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

Place : Hyderabad  
Date : 30<sup>th</sup> May, 2013

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013  
NOTE NO.1: SHARE CAPITAL

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
A.	<b>Equity Share Capital</b>	<b>Rs.</b>	<b>Rs.</b>
	(a) Authorised (No. of Shares 2,00,00,000 of Rs.10/- each Current Year) (No. of Shares 2,00,00,000 of Rs.10/- each Preious Year)	200,000,000	200,000,000
	(b) Issued (No. of Shares 1,70,00,000 each Current Year) (No. of Shares 1,70,00,000 each Preious Year)	170,000,000	170,000,000
	(c) Subscribed & Fully Paid Up (No. of Shares 1,69,95,200 each Current Year) (No. of Shares 1,69,95,200 each Preious Year)	169,952,000	169,952,000
	(d) Subscribed & not fully paid up (No. of Shares 4,800 each Current Year) (No. of Shares 4,800 each Preious Year)	24,000	24,000
	(e) Par Value per share Rs. 10/- <b>Total Equity Share capital</b>	<b>169,976,000</b>	<b>169,976,000</b>
B.	<b>Calls unpaid :</b> Equity Shares By Directors & Officers By Others	- 24,000	- 24,000
C.	<b>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:</b> Equity Shares of Rs. 10 Each, Fully paid up At the Beginning Issued during the year - Cash Issue Forfeited / Bought Back during the year At the end	17,000,000 - - 17,000,000	17,000,000 - - 17,000,000
D.	<b>Details of Shareholder holding more than 5% shares of the company:</b> Equity Shares of Rs. 10 each Held By Yamuna Enterprises (P) Ltd. - Current Year No. of Shares - 16,70,019 - Previous Year No. of Shares - 16,70,019	9.82	9.82

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



NOTE NO. 2: RESERVES AND SURPLUS

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
I	<b>RESERVES AND SURPLUS</b>	<b>Rs.</b>	<b>Rs.</b>
	a) Capital reserve		
	b) Securities Premium Reserve		
	As at the commencement of the year	756,608,703	756,608,703
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		756,608,703	756,608,703
	c) General Reserves		
	As at the commencement of the year	88,284,200	88,284,200
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		88,284,200	88,284,200
	h) Surplus :		
	i) Opening Balance - Profit and Loss Account	(841,318,555)	(748,212,859)
	Add: Transfer from Profit & Loss Account	(3,570,001)	(93,105,696)
		(844,888,556)	(841,318,555)
II	A Reserve specifically represented by earmarked investments		
	<b>Total Reserves and Surplus</b>	<b>4,347</b>	<b>3,574,348</b>

NOTE NO. 3: LONG TERM BORROWINGS

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
I	<b>Long Term Borrowings</b>	<b>Rs.</b>	<b>Rs.</b>
	a) Bonds/debentures	-	-
	b) Term Loans		
	From Banks	44,878,382	44,878,382
	From Others	-	-
	<b>Total Long Term Borrowings</b>	<b>44,878,382</b>	<b>44,878,382</b>

Note: Term Loan of Rs.448.78 Lakhs (Previous year Rs.448.78 Lakhs) from HDFC Bank, Mumbai is secured by fixed and Current Assets of the Company. The Executive Director and chief promoter have given their personnel guarantees to the Bank in their personal capacity.( Refer note number. 32(c) )

NOTE NO. 4: DEFERRED TAX LIABILITY (NET)

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		<b>Rs.</b>	<b>Rs.</b>
	Opening Deferred Tax Asset / (Liability)	(16,770,047)	71,705,155
	Deferred Tax Asset / (Liability) Due to Timing Difference on Depreciation	6,238,722	6,212,120
	Deferred tax Asset on Provision for Gratuity and Compensated Absences	29,417	33,418
	Gross Deferred Tax Asset / (Liability)	(10,501,908)	77,950,693
	Less: Deferred Tax Provision Reversal - Prior Period Item	-	94,720,740
	<b>Deferred Tax (Liability)/ Asset - Net</b>	<b>(10,501,908)</b>	<b>(16,770,047)</b>

**NOTE NO. 5: OTHER PROVISIONS**

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
I	a) Provisions for Employee benefits		
	- Provision for Gratuity	457,850	370,750
	- Provision for Leave Encashment	59,110	51,010
	b) Others	14,948,607	15,109,394
	<b>Total Long Term Provisions</b>	<b>15,465,567</b>	<b>15,531,154</b>

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

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
I	Short Term Borrowings		
	a) Other Loans repayable on demand		
	Un Secured		
	From Banks		
	From Others	4,150,000	5,000,000
	<b>Total Short Term Borrowings</b>	<b>4,150,000</b>	<b>5,000,000</b>

**NOTE NO. 7: TRADE PAYABLES**

S. No	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
I	a) Trade Payables	7,242,688	7,242,688
	<b>Total Trade Payables</b>	<b>7,242,688</b>	<b>7,242,688</b>

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

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
I	a) Other Payables	41,783,547	40,195,475
	<b>Total Other Current Liabilites</b>	<b>41,783,547</b>	<b>40,195,475</b>

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

S.No.	Particulars	As on 31-03-2012	As on 31-03-2011
		Rs.	Rs.
I	a) Provisions for employee benefits		
	ESI & PF Payable	9,250	10,461
	Salaries Payable	91,383	79,227
	b) Others		
	Statutory Liabilities	55,710	48,430
	TDS Payable	89,760	-
	<b>Total Short Term Provisions</b>	<b>246,103</b>	<b>138,118</b>

## NOTE NO. 10: TANGIBLE &amp; INTANGIBLE ASSETS AS AT 31-03-2013

Sl. No.	Particulars	Gross Block				Depreciation/Amortization			Net Block as on 31.03.2013	Net Block as on 31.03.2012
		As on 01.04.2012	Additions during the year	Sale/ Deletions during the year	As on 31.03.2013	Dep. As on 01.04.2012	Dep. For the year 2012-2013	Total Depreciation		
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	<b>Tangible Fixed Assets:</b>									
1	Land	14,338,897	-	-	14,338,897	-	-	-	14,338,897	14,338,897
2	Plant & Machinery	284,207,430	-	-	284,207,430	230,840,438	20,093,465	250,933,903	33,273,527	53,366,992
3	Other Assets	10,943,868	-	-	10,943,868	10,943,868	-	10,943,868	-	-
4	Office Equipment	5,688,216	-	-	5,688,216	5,392,392	295,824	5,688,216	-	295,824
5	Furniture	2,664,181	-	-	2,664,181	2,664,181	-	2,664,181	-	-
6	Vehicles	1,853,083	-	-	1,853,083	1,853,083	-	1,853,083	-	-
11	<b>Intangible Assets:</b>	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>319,695,675</b>	<b>-</b>	<b>-</b>	<b>319,695,675</b>	<b>251,693,962</b>	<b>20,389,289</b>	<b>272,083,251</b>	<b>47,612,424</b>	<b>68,001,713</b>
	Previous Year	319,695,675	-	-	319,695,675	231,240,433	20,453,529	251,693,962	68,001,713	88,455,242

Note: Depreciation:

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



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

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
1	Security Deposit:		
	Secured, Considered Good	-	-
	Unsecured, Considered Good	128,000	128,000
	Doubtful	-	-
		128,000	128,000
	Less: Provision for Bad & doubtful Security Deposit	-	-
	<b>Total Other Non Current Assets</b>	<b>128,000</b>	<b>128,000</b>

**NOTE NO. 12: INVENTORIES**

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
	a) Work - In - Progress		
	Closing Stock	14,577,696	14,577,696
	Software under Production	73,385,497	73,385,497
	Projects on Hand	43,350,577	43,350,577
	<b>Total Inventories</b>	<b>131,313,770</b>	<b>131,313,770</b>

**NOTE NO. 13: TRADE RECEIVABLES**

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
1	Outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, Considered Good	4,949,085	12,733,651
	Doubtful	-	-
		4,949,085	12,733,651
	Less: Allowance for Bad & Doubtful Debts	-	-
		4,949,085	12,733,651
	Other Receivables:		
	Unsecured, Considered Good	42,967,721	21,801,786
	Doubtful	-	-
		42,967,721	21,801,786
	Less : Allowance for bad & doubtful debts	-	-
		42,967,721	21,801,786
	<b>Total Trade Receivables</b>	<b>47,916,806</b>	<b>34,535,437</b>

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

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
	I Cash and cash equivalents :		
	a) Balances with banks :		
	On Current Accounts	26,646	1,927,375
	b) Cash on hand	385,219	703,832
	<b>Total Cash and Cash Equivalents</b>	<b>411,865</b>	<b>2,631,207</b>

NOTE NO. 15: LOANS AND ADVANCES

S.No.	Particulars	As on 31-03-2013	As on 31-03-2012
		Rs.	Rs.
I	Other Loans & Advances:		
	Unsecured, Considered Good		
	Prepaid Expenses	2,590,459	2,420,867
	Loans Receivables	58,728,381	58,728,381
	Advances Recoverable in Cash or in kind	5,546,837	5,546,837
	<b>Total Short Term Loans and Advances</b>	<b>66,865,677</b>	<b>66,696,085</b>

NOTE NO. 16: REVENUE FROM OPERATIONS

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I.	Revenue from operations in respect of non-finance company		
	Sale of Products	24,254,073	33,305,356
	<b>Total Revenue from Operations</b>	<b>24,254,073</b>	<b>33,305,356</b>

NOTE NO. 17 : OTHER INCOME

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	Other non-operating income	455,328	401,885
	<b>Total Other Income</b>	<b>455,328</b>	<b>401,885</b>

NOTE NO. 18: COST OF MATERIALS

S.No.	Particulars	Year Ended 31-03-2012	Year Ended 31-03-2011
		Rs.	Rs.
I	Production Expenditure	8,214,876	16,003,249
	<b>Total Cost Of Material Consumed</b>	<b>8,214,876</b>	<b>16,003,249</b>

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

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	Software Under Production		
	Inventories at the beginning of the year	131,313,770	126,313,770
	Less : Inventories at the end of the year	131,313,770	131,313,770
	<b>Decrease \ (Increase) in Inventories</b>	<b>-</b>	<b>(5,000,000)</b>

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

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	(a) Salaries & Wages	989,161	1,971,408
	(b) Contribution to Provident & Other Funds	68,443	74,006
	(c) Managerial Remuneration	1,230,000	1,230,000
	(d) Staff Welfare Expenses	63,220	52,697
	<b>Total Employee Benefit Expenses</b>	<b>2,350,824</b>	<b>3,328,111</b>

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

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	(a) Rent	156,300	168,350
	(b) Payment to Auditors:		
	(i) As Auditor	59,400	59,400
	(ii) For Taxation Matters	48,400	48,400
	(iii) For Other Services	13,200	13,200
	(c) Internal Auditors Remuneration	60,000	60,000
	<b>Total Other Operating Expenses</b>	<b>337,300</b>	<b>349,350</b>

**NOTE NO. 22: ADMINISTRATIVE EXPENSES**

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	(a) Telephone, Postage and Others	28,217	69,690
	(b) Business Promotion Expenses	369,952	203,870
	(c) Conveyance	156,376	219,861
	(d) Office Maintenance	252,866	316,165
	(e) Printing & Stationery Expenses	35,307	8,790
	(f) Professional Consultancy fee	1,052,125	808,433
	(g) Director Sitting Fee	25,000	84,000
	(h) Licenses Fee and Taxes	7,000	8,160
	(i) AGM & EGM Expenses	370,405	471,252
	(j) Share Transfer Expenses	194,592	389,184
	(k) Subscription, Membership and corporate bodies	235,200	234,158
	(l) Legal Expenses	345,170	176,330
	(m) Gratuity and leave encashment	177,247	131,175
	(n) Interest on taxes Payable	-	28,428
	<b>Total Administrative Expenses</b>	<b>3,249,457</b>	<b>3,149,496</b>

**NOTE NO. 23 : FINANCE COST**

S.No.	Particulars	Year Ended 31-03-2013	Year Ended 31-03-2012
		Rs.	Rs.
I	Finance Expenses		
	- Bank Charges	5,795	2,104
	<b>Total Finance Cost</b>	<b>5,795</b>	<b>2,104</b>



24. **Share Capital**  
Company is having existing Equity share capital to the extent of 1,70,00,000 Shares @ Rs.10/- each fully subscribed as on 01.04.2012 and no further issue of Share during the year under review.
25. **Secured Loans:**  
Term Loan of Rs.448.78 Lakhs (Previous year Rs.448.78 Lakhs) from HDFC Bank, Mumbai is secured by fixed and Current Assets of the Company. The Executive Director and chief promoter have given their personnel guarantees to the Bank in their personal capacity.
26. **Depreciation:**  
a. Depreciation is provided on Straight line method as per Schedule XIV of the Companies Act, 1956.  
b. Other Assets include Ornaments, Costumes, Library Etc.
27. **Segment Reporting:**  
The Company operates in four segments, T.V.Software, Infrastructure, Films and Animation. Segments wise operational information have been reported based on the guiding principles of Accounting Standard 17 (A.S.17) issued by the Institute of Chartered Accountants of India.  
Financial information about the business segments is presented in the table given below:

**Segment Wise Results:**

Particulars	For the year 2012-2013 Rs. In Lakhs	For the year 2011-2012 Rs. In Lakhs
<b>1. Segment Revenue / Income</b>		
T.V.Software	34.81	74.75
Integrated Communication Group	41.85	72.10
Films	129.94	110.95
Animation	35.94	75.25
Total	242.54	333.05
Less: Inter Segmental Revenue	-	-
Total Revenue from Operations	242.54	333.05
<b>2. Segment wise Profit / (Loss) before Tax and interest</b>		
T.V.Software	(25.14)	(4.55)
Integrated Communication Group	(19.37)	(7.37)
Films	(20.27)	(4.95)
Animation	(27.76)	(5.22)
Total	(92.54)	(22.09)
Add: Un-allocable Income net off		
Un-allocable expenditure	5.84	23.69
Profit before Tax and Prior period expenditure	(98.38)	(45.78)

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

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

**28. Details of Related Party Transactions**

Name of the Party	Relationship
Padmalaya Studios LLP	- Controlled by key managerial personnel
Yamuna Enterprises Private Limited	- Controlled by key managerial personnel
Green Chillies entertainment (P) Ltd.	- Controlled by key managerial personnel
Sri Geethika Films & Media Ltd.,	- Controlled by key managerial personnel
Transaction details	- An amount of Rs.1.50 lakhs given to Sri Geethika Films & Media Ltd., as Normal business Advance.
	- An amount of Rs.0.05 lakhs given to Yamuna Enterprises Private Ltd. As advance.

**29. Managerial Remuneration**

(Rs. In lakhs)

Particulars	31-03-2013	31-03-2012
Salaries	11.40	11.40
Perquisites & Allowances	0.90	0.90
Total	12.30	12.30

**30. Auditors Remuneration**

(Rs. In lakhs)

Particulars	31-03-2013	31-03-2012
Statutory Audit Fees	0.54	0.54
Tax Audit Fees	0.30	0.30
Certification Fees	0.13	0.13
Taxation Matters	0.14	0.14
Service Tax	0.10	0.10
Total	1.21	1.21

**31. Disclosures as required under Accounting Standard AS-15**

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

(Rs. In lakhs)

Particulars	31-03-2013	31-03-2012
Gratuity	0.87	3.71
Leave Encashment	0.08	0.51

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

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

(Rs. in Lakhs)

Particulars	31-03-2013	31-03-2012
Contribution to Provident fund	0.53	0.56
Contribution to Employee State Insurance Scheme (ESI)	0.15	0.18

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

**32. Foreign exchange inflow and Outflow**

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





33. Contingent Liabilities

Against the demand of Income Tax amounting to Rs.1.50 crores for the Assessment years 2003-2004, the company has preferred an appeal before the Hon'ble Commissioner of Income Tax (Appeals)-II, Hyderabad. The Company is confident to get the orders in favour of the company.

Further the Commissioner of Income Tax has re-assessed u/s 269 of the Income Tax Act for the Assessment years 2003-2004 and enhanced the demand to Rs. 6.58 Crores. The company has preferred an appeal before the Hon'ble Income Tax Appellate Tribunal, Hyderabad. The Company is confident to get the orders in favour of the company.

34. Legal cases:

- a. Mr.Naryan Das Mukheja has filed a case to recover an amount of Rs.55.00 lakhs for which he has advanced for the film. The company has entered into an MOU to settle the issue for Rs. 50.00 lacs payable out of court and company has already met the commitment given.
- b. M/s Data Soft, Mumbai filed recovery petition against the company for recovering its dues to the tune of Rs. 2.52 lakhs. The company negotiating with the party for settlement.
- c. HDFC bank has filed a case against the Company for recovery of secured loan given to the Company for due amount in DRT. Further the company has been approached with bank for one time settlement and still it is pending for consideration. The Company has not provided the interest on loan outstanding for the financial year 2012-2013.

35. Balances of Sundry debtors/creditors are subject to Confirmations

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

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

38. Figures have been rounded off to the nearest rupees in Lakhs.

Signatures to the Notes No. 1 to 38

As per our report of even date

for and on behalf of the Board

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

Sd/-  
Dr.D.V.N.Raju  
Director

Sd/-  
S. Sreenivasa Rao  
Director - Works

Sd/-  
P.Murali Mohana Rao  
Partner  
Member Ship No. 23412

Place: Hyderabad  
Date: 30<sup>th</sup> May, 2013



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

### 1. Registration Details

CIN No.  State Code

Balance Sheet     
Date Month Year

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

Public Issue  Rights Issue

Bonus Issue  Private Placement

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

Total Liabilities	<input type="text" value="225360"/>	Total Assets	<input type="text" value="225360"/>
Sources of Funds			
Paid-Up Capital	<input type="text" value="169976"/>	Reserves & Surplus	<input type="text" value=""/>
Secured Loans	<input type="text" value="44878"/>	Reserves & Surplus	<input type="text" value="10502"/>
Application Funds			
Net Fixed Assets	<input type="text" value="47612"/>	Investments	<input type="text" value="NIL"/>
Net Current Assets	<input type="text" value="177748"/>	Differed tax lia.	<input type="text" value="16770"/>
Accumulated Losses	<input type="text" value="NIL"/>		

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

Turn Over	<input type="text" value="24709"/>	Total Expenditure	<input type="text" value="34547"/>
Profit Before Tax	<input type="text" value="-9838"/>	Profit After Tax	<input type="text" value="-3570"/>
Earning Per Share	<input type="text" value="-0.21"/>	Dividend Rate (Weighted Average)	<input type="text" value="NIL"/>

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

Item Code No.

Item Description. Television Software, Features Films, Production & Distribution



# PADMALAYA TELEFILMS LIMITED

Regd Off # :8-3-222/1/23, (Plot No. 138), Madhura Nagar,  
Yusufguda, Hyderabad - 500 038

## ATTENDANCE SLIP

Twenty Second Annual General Meeting, On Monday 30<sup>th</sup> September 2013 at 9.30 A.M.

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall

Name of the Shareholders	Folio Number	No. of Shares Held

I hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the company at the premises of at State Gallery of fine arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad - 500 033.

If member, Please sign Below	If proxy please sign Below

# PADMAYALA TELEFILMS LIMITED

Regd Off # :8-3-222/1/23, (Plot No. 138), Madhura Nagar,  
Yusufguda, Hyderabad - 500 038

## PROXY FORM

Folio NO. ....

I/We.....

of .....being a member (s) of the Company

hereby appoint .....of.....

or failing his / her .....of.....

or failing his / her .....of.....

as my/our proxy to attend and vote for me/us on my/our behalf at the 22<sup>nd</sup> Annual General Meeting of the company to be held on the 30<sup>th</sup> day of September 2013, and at any adjournment thereof.

As witness my/our hand(s) this ..... day of ..... 2013

Affix One Rupee Revenue Stamp
--

Note : The proxy form must be deposited at the Registered office of the Company not later than 48 hours before the commencement of the meeting.

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