

Annual Report 2013-14



SOWBAGYA MEDIA LIMITED



Board of Directors
Sri K.Ramakrishna Prasad
Managing Director

Sri V.Kishore
Director

Sri M.MadhusudhanaRao
Director

REGISTERED OFFICE
Plot No. 854 E,
Road No. 44A,
Jubilee Hills,
Hyderabad – 500 033.

REGISTRARS
XL Softech Systems Limited
Plot No.3, Sagar Society,
Road No.2, Banjara Hills,
Hyderabad

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BANKERS
Vijaya Bank, Hyderabad
Bank of India, Hyderabad

AUDITORS
M/s. GANESHVENKAT & Co,
CHARTERED ACCOUNTANTS
402, Ram Kishan Residency,
6-3-6009/150, Anand Nagar Colony,
Khairathabad.
Hyderabad- 500004.

LISTING
The Bombay Stock Exchange Ltd
The Madras Stock Exchange Ltd



Notice to Annual General Meeting

Notice is hereby given that the Nineteenth Annual General Meeting of Sowbhagya Media Limited will be held on **30th September, 2014**, Tuesday at "S Square", **Plot No. 854, Road No 44A, Jubilee Hills, Hyderabad – 500 033** at **11:00 AM**, to transact the following business:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of **Sri Madhusudhana Rao**, who retires by rotation and, being eligible, seeks re-appointment.
3. To consider re-appointment of Auditors

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary

Resolution:

"RESOLVED that pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, **M/s. Ganesh Venkat & Co., Chartered Accountants**, Chartered Accountants be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the **twentieth AGM** of the Company to be held in the year 2015, at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

Notes:

- The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 2 are annexed.
- A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- **The Register of Members and Share Transfer Books will remain closed from 23rd September, 2014 to 25th September, 2014 (both days inclusive)**
- In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.



- Members seeking any information with regard to the Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
- Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF): Pursuant to sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company and erstwhile TCS e-Serve Limited, which has amalgamated with the Company, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred prior to March 31, 2014, nor shall any payment be made in respect of such claim.
- The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
- To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories.

By Order of the Board of Directors

Sd/-

**K. Ramakrishna Prasad,
Managing Director**

Hyderabad August 30,2014.
CIN: L51109AP1994PLC018800
Registered Office:

*Plot No. 854E,
Road No. 44A,
Jubilee Hills,
Hyderabad – 500 033.*



REPORT OF THE DIRECTORS

TO THE MEMBERS

Your Directors present their report for the Financial Year 2013-14 along with the material events that have taken place till the date of this report

Financial Results

(Rs. In Lakhs)

Particulars	As on 31.03.2014	As on 31.03.2013
1. Net Sales/Income from Operations	296.53	528.60
2. Total Operating Expenditure	386.82	485.69
3. Profit from Operations before Other Income, Interest and Exceptional Items (1-2)	(90.29)	42.91
4. Other Income	9.56	7.55
5. Interest	0.73	1.40
6. Profit (+)/ Loss (-) from Ordinary Activities before tax	(81.46)	49.06
7. Tax Expense	(25.04)	8.60
8. Net Profit (+)/ Loss (-) from Ordinary Activities after tax	(56.42)	40.46
9. Paid-up equity share capital	1,093.00	1,093.00
(Face Value of the Share shall be indicated)	Rs.10/- Each	Rs.10/- Each
10. Earnings Per Share	(0.52)	0.37

Business Operations

Your Company reported total income of Rs. 296.53 Lakhs for the financial year ended March 31, 2014. Lack of proper avenues in the last Financial Year has resulted in loss. However, in the current financial year, Management is planning to take few steps ahead and contribute to profit. The first initiative towards this drive is launching of the T V Serial "Gokulamlo Seetha".

DIVIDEND:

Your Directors have not recommended any dividend for Current Financial Year

PROSPECTS/NEW PROJECTS:

Your company has plans for expansion and Diversification. At the 19th Annual General Meeting, your company is happy to inform that various growth options are being considered to enhance that the company's future revenues.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As required by Clause 49 of the Listing Agreements with Stock Exchanges, the Management discussion and Analysis Report is enclosed as a part of this report (Annexure - I).

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2014-2015 to MSE and BSE where the Company's Shares are listed

DEMATERIALISATION OF SHARES:

93.73% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2014 and balance 6.27% is in physical form.



The Company's Registrars are M/s XL Softech Systems Ltd., 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034.

DIRECTORS:

Sri K. Ramakrishna Prasad, is a Bachelor's Degree from Andhra University with more than three decades experience in media and publishing industry. He has successfully led a number of publications from their inception to commercial success. He brings in rich experience of handling the intricacies of media and publishing businesses. He has handled both the advertising agencies and well as publications and has good understanding of both the sides of the advertisement operations. He was on the Editorial Board of Yugavani in the 1970s.

Sri V. Kishore, is a commerce graduate and an Independent Director with two decades of experience in Regional Entertainment Industry. He is known for his turnaround strategy in business.

Sri M. Madhusudana Rao, Years is a Honours Graduate in Commerce, Master's Degree Holder in Business Administration and has a Legal Degree, with more than 12 Years of Experience in Finance. He is a market leader within this sector and has handled the larger division of our organization with his extensive exposure. He would ensure the organization has continued growth and expansion in this challenging and rewarding environment with his knowledge. He works effectively to manage the day to day running of Finance Function and has credible track record in Media & Entertainment Industry.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under section 217 (2AA) of the companies act, 1956 Directors of your Company hereby state and confirm that:

1. The applicable Accounting Standards have been followed in preparation of annual accounts;
2. The accounting policies selected were applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at 31st march, 2014 and of the profit for the year ended on that date;
3. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts for the year ended 31st March, 2014 have been prepared on a going concern basis;

AUDIT OBSERVATIONS:

Auditors' observations are suitably explained in notes to the Accounts and are self-explanatory.

AUDITORS

The Auditors, M/s Ganeshvenkat & Co., Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment.

CORPORATE GOVERNANCE AND SHAREHOLDERS' INFORMATION:

Your Company has taken adequate steps to adhere to all the stipulations laid down in Clause 49 of the Listing Agreement. A report on Corporate Governance is included as a part of this Annual Report (Annexure II).

Certificate from the Statutory Auditors of the company M/s Ganesh Vekat & Co., Chartered Accountants confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

Information required under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in Directors' Report) Rules, 1988 is given in the (Annexure III) to this report.



HUMAN RESOURCES:

There are no employees as on date on the rolls of the Company who are in receipt of Remuneration which requires disclosures under Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975.

During the year under review, relationship with the employees is cordial.

VIGIL MECHANISM:

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established.

RESERVES:

We propose to transfer Nil of the net profit for the year to the general reserve and another Nil to capital reserve. We propose to transfer Nil of the net profit for the year to the general reserve and another Nil to capital reserve

APPRECIATION:

The Directors wish to place on record their appreciation to employees at all levels for their co-operation. Your directors would also acknowledge the continued support of the Company's Shareholders, Bankers, Exhibitors, Distributors, and all others that contributed to the success of the company.

By Order of the Board of Directors
For M/s.SOWBHAGYA MEDIA LIMITED

Sd/-
(K.RAMAKRISHNA PRASAD)
MANAGING DIRECTOR

By Order of the Board of Directors
For M/s.SOWBHAGYA MEDIA LIMITED

Sd/-
(M. MADHUSUDANA RAO)
DIRECTOR





MANAGEMENT DISCUSSION AND ANALYSIS

Structure and Developments, Opportunities and Threats, Performance, outlook, Risks and Concerns:

The slowing down of the economy globally and the current market conditions had a downward effect on the Organization during the year 2013-14 affecting the Turnover. Earlier your company has reported a turnover of Rs. 528.60 Lakhs were as for Fiscal Year 2014 it fell down to Rs. 296.53 Lakhs. The main reason being lack of opportunity and unexpected changes in the industry.

The present adverse market conditions are expected to continue during the next year 2014-15. The profitability for the next year 2014-15 is expected to be under pressure due to increase in operating expenses. The Company is exploring new markets.

Internal Control Systems and their Adequacy :

Management has put in place effective Internal Control Systems to provide reasonable assurance for:

- Safeguarding Assets and their usage.
- Maintenance of Proper Accounting Records and
- Adequacy and Reliability of the information used for carrying on Business Operations.

The Audit Committee is regularly reviewing the Internal Audit Reports for the auditing carried out in all the key areas of the operations. Additionally the Audit Committee approves all the audit plans and reports for significant issues raised by the Internal and External Auditors. Regular reports on the business development, future plans and projections are given to the Board of Directors. Internal Audit Reports are regularly circulated for perusal of Senior Management for appropriate action as required.

Human Resources Development and Industrial Relations:

The Company is maintaining good employee relations and no working days are lost during the year. The Company continued the welfare activities for the employees, which include providing unbiased work place for staff and also supporting recreational activities. To enrich the skills of employees and enrich their experience, the Company arranges, Practical Training Courses by Internal and External Faculty.

The Company has constituted an Internal Complaint Committee (ICC) in pursuant to the provisions of Companies Act, 2013 for prevention, prohibition and redressal of complaints / grievances on the sexual harassment of women at work places.

RISK MANAGEMENT REPORT

Risk type	Risk implication	Risk mitigation
Market Risks		
Economic Slowdown Risk	Corporates may reduce their advertising budget for television, jeopardizing per-hour realizations	Sowbhagya has implemented strict cost control initiatives per episode. The Company evaluates and analyzes the risk-reward scenario before commencing film production or any other major project
Competition risk	Rising competition may reduce bargaining power with channels.	Sowbhagya is the undisputed leader in the Telugu Media Industry and space and enjoys strong brand recognition with shows commanding a good premium.
Risk of unfavorable government policies	Any unprecedented change in government policy may increase the overall cost.	Sowbhagya is suitably positioned to absorb, recover or pass on the rise in taxes to channels, distributors or exhibitors.
Business risks		
Risk of changing audience preferences	Rapid change in viewer tastes and preferences can impact business adversely.	Sowbhagya's dedicated team conducts research to understand evolving audience preferences. One result of such an effort is the new media business.
Human resource risk		
Talent retention and management risk	The business depends on key talent (story writers, creative heads, lead artists, directors, technicians, among others). Non-availability of such resources could impact business.	Sowbhagya (Management and Promoters) have always attracted the best of talent in the industry. It has created stars and transformed artists' careers.

SWOT ANALYSIS

<p>Strength</p> <ul style="list-style-type: none">✓ Powerful Strategies supported by Competitive Valuable Skills✓ Experience in the Key Areas✓ Strong Financial Position✓ Brand Image✓ Corporate Reputation✓ Market Leader✓ Advanced and superior skills in technology.✓ Cost advantages of firm.✓ Strong and advertising network of firm.✓ New product innovation skills of firm.	<p>Challenges</p> <ul style="list-style-type: none">✗ Limiting ourselves to one Regional Language✗ Not attracting new customers as rapidly as rivals in market.✗ Fixed Channels used for Telecast✗ Inadequate distribution channels of firm.✗ Major vulnerability to industry driving forces.
<p>Opportunities</p> <ul style="list-style-type: none">✓ Expansion of business activities✓ Expansion of product segments✓ Expanding the firm's product line✓ Effective utilization of existing skills and technologies to enter new market with new product and services.✓ Using the internet and e-commerce network communications and technologies to dramatically cut costs✓ Integration of backward and forward diversification of business.	<p>Threats</p> <ul style="list-style-type: none">✗ Piracy✗ Increasing the intensity of firm's competition in market.✗ Technological changes impact for product demand reduced from customers.✗ Slowdown in market growth of firm's.✗ New Government regulatory requirements.✗ Growing bargaining powers of vendors in market.✗ Adverse demographic changes which threaten to curtail demand



For and on behalf of the Board of Directors
Sowbhagya Media Limited

Date: 30th August, 2014

Sd/-

**K. Ramakrishna Prasad,
Managing Director**



REPORT ON CORPORATE GOVERNANCE

As the company is a part of Group B of Bombay Stock Exchange, in the terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance along with the Certificate of Statutory Auditors is given as under

A strong governance process is integral to business success. For an important reason: a broad based governance initiative harmonizes the interest of all shareholders.

At Sowbhagya, a commitment to a mature governance process is leading to stronger business prospects, a growth of business partners, enhanced employee and investor wealth as well an increased societal development at large.

THE COMPANY'S GOVERNANCE PHILOSOPHY

The Company's Philosophy on Code of Governance as adopted by the Board is as under

- ☆ Ensure that the Quantity, Quality and Frequency of Financial and Managerial information, which management shares with the Board, fully places the Board members in control of the Company's affairs
- ☆ Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, thereby ensuring high accountability
- ☆ Ensure that the extent to which the information is disclosed to present and potential investors is maximized
- ☆ Ensure that the decision making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof.
- ☆ Ensure that the Corporate Governance Task Force itself, the Board, the Employees and all concerned are fully committed to maximizing long-term value to the Shareowners and the Company;
- ☆ Ensure that the core values of the Company are protected;
- ☆ Ensure that the Company positions itself from time to time to be at par with any other Company of world class in operating practices.

I. BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition:

The company's board is a balanced Board comprising of Independent Executive and Non Executive Directors. The following is the composition of the Board as on 31st March, 2014:

Category	No. of Directors	Percentage to Total no. of Directors
Executive/Promoter Directors	1	33.33%
Non-Executive/Independent Directors	2	66.67%

Meetings and Attendance Particulars.	Category	No. of Other Directorships	No. of Meetings attended.
Executive Directors			
K.Ramakrishna Prasad	Executive Promoter Director	2	All
Independent Directors			
M. MadhusudhanaRao	Non Executive Director	-	All
Vadde Kishore	Non Executive Director	-	All

Board Agenda

Meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are

backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated seven working days prior to the Board meeting.

Information placed before the Board

Apart from the items that are required to be placed before the Board for its approval, both under the statutes and the Governance Policy, the following are also tabled for the Board's periodic review / information:

- Quarterly performance against plan, including business-wise financials in respect of revenue, profits, cash flow, balance sheet, investments and capex.
- Half-Yearly summary of all long-term borrowings made, bank guarantees issued and investments made.
- Internal Audit findings and External Audit Management Reports (through the Audit Committee).
- Status of safety, security and legal compliance.
- Status of business risk exposures, its management and related action plans.
- Company's management development processes and succession of senior management (through the Nominations Committee).
- Default, if any, in payment of dues to any major creditor.
- Terms of reference of Board Committees.
- Policy on Shareholder Disclosures.
- Incident of theft / fraud / dishonesty of a significant nature, if any.
- Write-offs / disposals (fixed assets, inventories, receivables, advances etc.) on a half-yearly basis.

Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board, the Board Committees, the Corporate Management Committee and the Divisional / SBU Management Committees.

Details of Board Meetings during the financial year

During the financial year ended 31st March, 2014, six meetings of the Board were held, as follows:

Sl.NO.	Date of Board Meeting	Strength of Directors	Directors Present.
1	29 th May, 2013	3	3
2	14 th August, 2013	3	3
3	30 th August, 2013	3	3
4	15 th October, 2013	3	3
5	14 th November, 2013	3	3
6	14 th February, 2014	3	3

II. COMMITTEES OF THE BOARD

Currently there are the below mentioned Board Committees –

- a) Audit Committee
- b) Remuneration Committee.
- c) Share Transfer Committee
- d) Shareholders'/Investor Grievances Committee.

AUDIT COMMITTEE

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Safeguarding of assets and adequacy of provisions for all liabilities;
- Reliability of financial and other management information and adequacy of disclosures;
- Compliance with all relevant statutes.

The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee;



- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The role of the Committee includes the following:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors;
- Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
 - i) Any changes in accounting policies and practices
 - ii) Major accounting entries based on exercise of judgment by management
 - iii) Qualifications in draft audit report
 - iv) Significant adjustments arising out of audit
 - v) The going concern assumption
 - vi) Compliance with Accounting Standards
 - vii) Compliance with Stock Exchange and legal requirements concerning financial statements
 - viii) Related party transactions;
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board;
- Reviewing the adequacy of the internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;

Composition

The Audit Committee presently comprises three Non-Executive Directors, all of whom are Independent Directors. The Director responsible for the Finance function, the Head of Internal Audit and the representative of the Statutory Auditors are Invitees to the Audit Committee.

All members of the Committee are financially literate; two members, including the Chairman of the Committee, have accounting and financial management expertise.

Name of the Member	No. of meetings held	No. of Meetings attended.
M. MadhusudanaRao *	4	4
V. Kishore	4	4
K. Ramakrishna Prasad	4	4

* Sri E.V. Raja Reddy is an independent Director, chairs the Committee.

Meetings and Attendance

During the financial year ended 31st March, 2014, four meetings of the Audit Committee were held, as follows

SI.NO.	Date of Board Meeting	Strength of Directors	Directors Present.
1	29 th May, 2013	3	3
2	14 th August, 2013	3	3
3	14 th November, 2013	3	3
4	14 th February, 2014	3	3

REMUNERATION COMMITTEE

The Remuneration Committee of the Board, inter alia, provides reassurance to the Board on the existence of a policy in place to ensure that remuneration should be sufficient to attract, retain, motivate and incentivize Directors of the necessary caliber, expertise and experience to lead the company. The remunerations committee is vested with all the necessary powers and authority to ensure appropriate remuneration package for all directors. Since the appointment of the Whole-time Director are by virtue of their employment with the company as management employees, their service contracts, notice period and severance fee, if any, is governed by the management remuneration policy of the company.

Composition

The Remuneration Committee presently comprises three Non-Executive Directors, all of whom are Independent Directors. The Director responsible for the Human Resource, Talent Acquisition Group is also invited for the meetings.

All members of the Committee are emotionally intelligent; two members, including the Chairman of the Committee, have Human Resource Recruitment and Management expertise.

Name of the Member	No. of meetings held	No. of Meetings attended.
M. MadhusudanaRao*	4	4
V. Kishore	4	4
K. Ramakrishna Prasad	4	4

* Sri M. MadhusudhanaRao is an independent Director, chairs the Committee.

The committee is primarily responsible for reviewing and recommending appropriate level of remuneration for the executive and non-executive directors.

Meetings and Attendance

During the financial year ended 31st March, 2014, four meetings of the Audit Committee were held, as follows

Sl.NO.	Date of Board Meeting	Strength of Directors	Directors Present.
1	29 th May, 2013	3	3
2	14 th August, 2013	3	3
3	14 th November, 2013	3	3
4	14 th February, 2014	3	3

DETAILS OF REMUNERATION TO EXECUTIVE DIRECTORS

Particulars	Sri K. Ramakrishna Prasad
Salary	Rs.12,00,000 per annum.

DETAILS OF SERVICE CONTRACT

Particulars	Period of Contract	Date of Appointment
Sri K. Ramakrishna Prasad	5 Years	18 th June, 2007

SHARE TRANSFER COMMITTEE

Share Transfer Committee provides assistance to the Board of Directors in ensuring that the transfer of shares takes place within the stipulated period of one month from the date they are lodged with the Company. The Committee frames the policy for ensuring timely transfer of shares including transmission, splitting of shares into marketable lots, consolidation, changing joint holding into single holding and vice versa and also for issuing duplicate share certificates in lieu of those torn/destroyed, lost or defaced

Name of the Member	No. of meetings held	No. of Meetings attended.
V. Kishore *	4	4
M. MadhusudhanaRao	4	4
K. Ramakrishna Prasad	4	4

*Sri V. Kishore , is an independent Director, chairs the Committee.

Sl.NO.	Date of Board Meeting	Strength of Directors	Directors Present.
1	29 th May, 2013	3	3
2	14 th August, 2013	3	3
3	14 th November, 2013	3	3
4	14 th February, 2014	3	3

SHAREHOLDERS/ INVESTORS GRIEVANCE COMMITTEE

The Investors Grievance Committee of the Board, under the nomenclature 'Investor Services Committee', oversees redressal of shareholder and investor grievances, and approves sub-division / transmission of shares, issue of Duplicate share certificates etc.

Composition

The Investor Services Committee presently comprises three Directors, two of whom are Independent Directors. The Chairman of the Committee is An Executive Director.

The names of the members of the Investor Services Committee, including its Chairman, are provided under the section 'Board of Directors & Committees' in the Report and Accounts.

Name of the Member	No. of meetings held	No. of Meetings attended.
M. MadhusudanaRao*	4	4
V. Kishore	4	4
K. Ramakrishna Prasad	4	4

* Sri M. MahdusudanaRao is an independent Director, chairs the Committee.

Meetings and Attendance

Details of Investor Services Committee Meetings during the financial year

During the financial year ended 31st March, 2014, 4 meetings of the Investor Services Committee were held, as follows

SI.NO.	Date of Board Meeting	Strength of Directors	Directors Present.
1	29 th May, 2013	3	3
2	14 th August, 2013	3	3
3	14 th November, 2013	3	3
4	14 th February, 2014	3	3

- (i) Number of Shareholders Complaints received so far : Nil
(ii) Number not solved to the Satisfaction of Shareholders : Nil
(iii) Number of Pending Share Transfers : Nil

DISCLOSURES

- (i) Disclosure on materially significant related party transactions that may have positional conflict with the interests of company at large
None. Confirmation was placed before the Audit Committee and the Board that all related party transactions during the financial year 31st March, 2014.
- (ii) Details of Non Compliance by the Company, Penalties, Strictures imposed on the company by Stock Exchange or SEBI or any Statutory authority on any matter related to capital markets, during the last three years
None.
- (iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee
None.
- (iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.
None.

WHISTLE BLOWER MECHANISM

The company promotes ethical behavior in all its business activities and has put in place mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified person. No employee of the company has been denied access to the audit committee. The directors and senior management are obligated to maintain confidentiality of such reporting's and ensure that the whistleblowers are not subjected to any discriminatory practices.

CEO/CFO CERTIFICATION.

The Managing Director of the Company gives annual certification on financial reporting and internal controls to the Board in terms of the Clause 49. The Chairman also gives quarterly certification on financial results while placing the financial results before the Board in terms of Clause 41 of Listing Agreement.

Your Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The details of these compliances have been given in relevant sections of this report. The status of compliance with the non-mandatory requirements is given at the end of this report.

DISCLOSURE OF ACCOUNTING TREATMENT.

In the preparation of Financial Statements for the Financial Year 2011-12 there is no treatment of any transaction different from that prescribed in the Accounting Standards.

MANAGEMENT DISCUSSION AND ANALYSIS

This ANNUAL REPORT has a detailed chapter on Management and discussion and analysis elsewhere.

CORPORATE IDENTIFICATION NUMBER

The Corporate identification Number (CIN) as allotted by Ministry of Corporate Affairs is **L51109AP1994PLC018800**

MEANS OF COMMUNICATION

In this era of Information Technology, passing on the message should never take more time or cost.

Quarterly Results: The Audited Quarterly Results along with the Notes were published in the News Paper as under:-

News Papers	Date of Publication of the results for the Quarter Ended.			
	31.03.2013	30.06.2013	30.09.2013	31.12.2013
Financial Express	30.05.2013	15.08.2013	15.11.2013	15.02.2014
Andhra Bhoomi	30.05.2013	15.08.2013	15.11.2013	15.02.2014

Websites where results are displayed: www.sowbhagya.in

Information on Directors seeking appointment/re-appointment as required under Clause 49 VI(A) of the Listing Agreement with Stock Exchanges.

This information is provided in the notes appended to the explanatory statement under the heading "Additional information on Directors recommended for appointment/seeking re-election at the ensuing Annual General Meeting."

Distribution of Shareholding

The Distribution of Shareholders' as on 31st March, 2014.

Distribution	No. of Shares	Percentage	Amount in Rs.	Percent of Total Shares
Upto 5,000	381	58.8	475890	58.8
5,001 - 10,000	96	14.81	893320	14.81
10,001 - 20,000	30	4.63	537740	4.63
20,001 - 30,000	20	3.09	498400	3.09
30,001 - 40,000	12	1.85	457020	1.85
40,001 - 50,000	15	2.31	721720	2.31
50,001 - 1,00,000	29	4.48	2263870	4.48
1,00,001 & above	65	10.03	103452040	10.03
Total	648	100	109300000	100



ADDITIONAL SHAREHOLDERS INFORMATION

Registered Office

Sowbhagya Media Limited
Plot No.854E, Road No. 44A,
Jubilee Hills, Hyderabad – 500 033
Phone No.: 040 2342 2222/
040 2342 3333
Fax No: 040 2374 5566

Registrars and Transfer Agents

XL Softech Systems Limited
3, Sagar Society Road No.2
BanjaraHills,Hyderabad- 500 033
Phone: 91 40 23545913/14
Fax : 91 40 23553214

Date, time and venue of Annual General Meeting	30 th September, 2014 at 11:00 AM Plot No. 854E, Road No. 44A, Jubilee Hills, Hyderabad – 500 033				
Date of Book Closure	23rd September, 2014 to 25th September, 2014 (both days inclusive)				
Listing on Stock Exchanges	Bombay Stock Exchange & Madras Stock Exchange				
Stock Codes	SOWBHAGYA/532025				
Listing Fees	Paid upto date i.e. 31.3.2015				
Stock Data	BSE:-				
	Year	High	Low	* Spread	
				H-L	C-O
	2013	15.89	5.07	10.82	-5.95
	2014	14.58	6.35	8.23	-1.7
Monthly High, Low and Average.	Month	High	Low	* Spread	
				H-L	C-O
	Apr-13	11.77	7.76	4.01	1.7
	May-13	13	8.13	4.87	-0.16
	Jun-13	12.08	7.32	4.76	-3.52
	Jul-13	10.5	7.7	2.8	-0.07
	Aug-13	9.81	7.61	2.2	-1.28
	Sep-13	8.34	5.89	2.45	-1.51
	Oct-13	7.08	5.07	2.01	1.18
	Nov-13	8.75	6.15	2.6	1.25
	Dec-13	9.92	7.32	2.6	1.68
	Jan-14	10.47	8.76	1.71	0.52
	Feb-14	10.46	8.59	1.87	-1.41
	Mar-14	9.9	7.55	2.35	1.62

General Body Meetings

The details of the date, time and venue of the last three Annual General Meetings are as follows.

Year	Location	Date and Time
2010-2011	"S SQUARE", Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033	27.07.2011 11:00 A.M.
2011-2012	"S SQUARE", Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033	26.09.2012 11:00 A.M.
2012-2013	"S SQUARE", Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033	30.09.2013 11:00 A.M.

Whether Special Resolutions were put through postal ballot last year, details of Voting Pattern: No.



Person who conducted the Postal Ballot Exercise: Not Applicable

Whether Special resolutions are proposed to be conducted through postal ballot: Not Applicable

Procedure for Postal Ballot.

No Postal Ballots were used for voting at above meetings.

Disclosures

- During the Financial year 2013-14, the Company had no materially significant related party transactions, which may have potential conflict with the interest of company at large.
- There has neither been any noncompliance nor penalties, strictures imposed on the Company by the Stock Exchanges, SEBI, or any other statutory authority, on any other matter relating to the capital markets, during the last three years.
- General Shareholders Information:
- Disclosures regarding re-appointment of Directors

Dematerialization of Shares

As on 31st March, 2014, 1,02,45,198 shares were held in dematerialized form. ISIN for Sowbhagya Media Limited is INE826D01014.

Share Transfer System

The Company's shares are traded in the Stock Exchanges in Dematerialized form. Shares in physical mode that are lodged with the Company and XL Softech (Registrar and Transfer Agent) are registered within a period of 12 days if the documents are clear in all respects. The shares duly transferred are dispatched to the concerned shareholders within a week from the date of approval of transfers by the Share Transfer Committee, which meets as often as required.

Registrar and Share Transfer Agents:

Shareholders can contact the company's registrar and share transfer agent
M/s XL Softech Systems Ltd.
Registrars & Share Transfer Agents,
Plot No. 3,
Sagar Soceity,
Road No. 2,
Banjara Hills,
Hyderabad - 34.
Tel. No. 23545913, Fax.No. 23553214.

Address for Investors Correspondence

Shareholders correspondence should be addressed to the Company's Registrar and Share Transfer Agents at the address mentioned above.

Queries relating to the financial statements and complaints may be sent to

Mr.K. Ramakrishna Prasad, Compliance Officer,
M/s Sowbhagya Media Limited,
Plot No.854E, Road No. 44A,
Jubilee Hills,
Hyderabad – 500033

Secretarial Audit

Each of the quarter in the financial year 2013-14, a qualified practicing Company Secretary carried out secretarial audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository services (India) Limited (CDSL) and total issued and listed capital. The audit reports confirm that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Green Initiative

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling annual general meeting, Corporate Governance Report, Directors Report, audited Financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and transfer agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode

For and on behalf of the Board of Directors
Of M/s Sowbhagya Media Limited

Date: 30th August, 2014

Sd/-

**K. Ramakrishna Prasad,
Managing Director**

Annexure - III

Information under section 217(1) (e) of the companies (Disclosure of particulars in the report of Board of Directors) Rules,1988.

- A. Conservation of Energy : Not Applicable.
- B. Technology Absorption : The Company has not imported any Technology.
- C. Foreign Exchange Earnings & Outgo:

Foreign Exchange Earnings: Nil
Foreign Exchange Outgo : Nil

CORPORATE GOVERNANCE REPORT

Certificate on Compliance of Corporate Governance

To,
The Member of Sowbhagya Media Limited.

We have examined the compliance of the conditions of Corporate Governance by Sowbhagya Media Limited for the year ending 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of management. Our examination has been limited to a review of the procedures and implementation there of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

As per records maintained by the Company, we state that no investor grievances are pending for a period exceeding one month against the Company.

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

For GANESH VENKAT & CO,
CHARTERED ACCOUNTANT'S

Sd/-

G.RAJA VENKAT,
PARTNER

M.NO.25014

Firm Registration No: 05293S



INDEPENDENT AUDITORS' REPORT

To
The Members of **M/S. SOWBHAGYA MEDIA LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **M/S. SOWBHAGYA MEDIA LIMITED**, which comprise the Balance Sheet as at March 31, 2014, 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 and financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 misstatements, 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, 2014;
- 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 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, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - 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 are disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For **M/s. Ganesh Venkat & Co.,**
Chartered Accountants
Firm Regd.No.005293S
Sd/-
G. Rajavenkat
Partner
Membership No.025014

Place: Hyderabad.
Date: 29th May, 2014.



The Annexure referred to in paragraph 1 of the Our Report of even date to the members of M/s.SOWBHAGYA MEDIA LIMITED on the accounts of the company for the year ended 31st March, 2014.

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
(c) Fixed assets disposed off during the year were not substantial; therefore do not affect the going concern assumption.
- ii. (a) The company is not a manufacturing company and hence there are no inventories. Therefore provisions of clause 4(ii)(a), (b) and (c) of companies (Auditor's Report) Order, 2003 as amended are not applicable to the Company.
- iii. (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clauses (4) iii (b), iii(c) and iii (d) of the companies (Auditor's Report) Order, 2003 are not applicable to the Company.
(e) According to the information and explanations given to us, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore provisions of clause 4(ii)(f) and (g) of companies (Auditor's Report) Order, 2003 as amended are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- v. (a) In our opinion and according to the information and explanations given to us, and based on representations by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act exceeding five lakhs rupees in a financial year have been duly entered.
- vi. In our opinion and according to the information and explanations given to us, The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Therefore provisions of clause 4(vi) of companies (Auditor's Report) Order, 2003 as amended are not applicable to the company.
- vii. *There is no Internal Audit System in Vouge in the company.*
- viii. In our opinion and according to information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956. Therefore provisions of clause 4(viii) (Auditor's Report) Order, 2003 as amended are not applicable to the Company
- ix. (a) According to information and explanations given to us and the records of the company, the company is regular in depositing undisputed statutory dues including Provident Fund,

Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess to the extent applicable and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, there are no statutory dues as on 31st of March, 2014 which are outstanding for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues on account of income tax, wealth tax, service tax, sales tax, customs duty and excise duty and any other statutory dues as at 31st March, 2014 except the following:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Demand under section 226(3)	26,24,531	Assessment year 2008-09 & 2009-10	ITAT, Hyderabad

- x. The Company does not have any accumulated losses at the end of financial year and has incurred cash losses in the financial year and has not incurred any cash losses in the immediately preceding financial year.
- xi. In our opinion and according to information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to information and explanations given to us, the Company is not a chit fund /mutual benefit fund/society. Therefore, the provision of this clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- xiv. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Accordingly 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 guarantees for loan taken by others from a bank or financial institution.
- xvi. According to information and explanations given to us, the company has not availed any term loans during the year.
- xvii. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii. According to the information and explanations given to us, during the year under report 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.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **M/s. Ganesh Venkat & Co.,**
Chartered Accountants
Firm Regd.No.005293S
Sd/-

G. Rajavenkat
Partner
Membership No.025014

Place: Hyderabad.
Date: 29th May, 2014.



Financial Information of M/s Sowbhagya Media Limited

Balance Sheet as at 31st March, 2014

(Amount in Rs.)

Particulars	Note No	As at 31 March, 2014	As at 31 March, 2013
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.1	10,93,00,000	10,93,00,000
Reserves and Surplus	2.2	(5,17,347)	51,24,781
		10,87,82,653	11,44,24,781
Non-Current Liabilities			
Long-term borrowings	2.3	-	-
Deferred tax liabilities (Net)	2.4	5,96,703	32,63,165
		5,96,703	32,63,165
Current Liabilities			
Trade Payables	2.5	23,39,873	31,56,140
Other Current Liabilities	2.6	6,75,416	11,93,524
Short-term Provisions	2.7	25,20,863	24,16,933
		55,36,152	67,66,597
Total		11,49,15,508	12,44,54,543
ASSETS			
Non-Current Assets			
Fixed assets			
(i) Tangible assets	2.8	1,24,54,047	2,33,89,569
(ii) Intangible assets		15,293	-
(iii) Capital Work-in-Progress	2.9	-	71,500
Long term loans and advances	2.10	1,85,64,000	1,98,64,000
		3,10,33,340	4,33,25,069
Current assets			
Trade receivables	2.11	2,59,12,271	2,82,68,406
Cash and cash equivalents	2.12	1,21,28,194	1,18,81,702
Short-term loans and advances	2.13	4,28,91,174	3,80,13,364
Other current assets	2.14	29,50,529	29,66,002
		8,38,82,168	8,11,29,474
Total		11,49,15,508	12,44,54,543
Significant Accounting Policies and Notes on Financial Statements	1&2		
As per our report of even date attached For GANESH VENKAT & CO., Chartered Accountants		For and on behalf of the Board	
Sd/- G. Rajavenkat Partner Membership No. 025014 Hyderabad, May 29, 2014	Sd/- K. Ramakrishna Prasad Managing Director	Sd/- M.Madhusudan Rao Director	

M/s Sowbhagya Media Limited

Statement of Profit & Loss for the year ended 31st March, 2014

(Amount Rs.)

Particulars	Note No.	for the year ended 31st March, 2014	for the year ended 31st March, 2013
CONTINUING OPERATIONS			
Revenue from operations	2.15	2,96,52,500	5,28,60,000
Other income	2.16	9,56,356	7,55,496
Total Revenue		3,06,08,856	5,36,15,496
Expenses			
Expenditure on film media operations	2.17	2,17,71,993	3,74,74,610
Employee benefits expense	2.18	30,43,991	32,80,809
Finance costs	2.19	72,969	1,39,531
Depreciation and amortisation expense	2.8	26,50,792	29,00,026
Other expenses	2.20	1,12,14,751	49,13,023
Total expenses		3,87,54,496	4,87,07,999
Profit / (Loss) before extraordinary items and tax		(81,45,640)	49,07,497
Extraordinary items	2.21	-	-
Profit / (Loss) before tax		(81,45,640)	49,07,497
Tax expense:			
Prior year taxation		-	78,685
Current tax		1,62,950	18,20,304
Minimum alternate tax expenses / (Credit)		-	(2,31,198)
Deferred tax		(26,66,462)	(8,07,796)
Total Tax expense		(25,03,512)	8,59,995
Profit / (Loss) from continuing operations		(56,42,128)	40,47,502
Earnings per share (of Rs. 10 /- each):			
(a) Basic & Diluted			
(i) Continuing operations		(0.52)	0.37
Significant Accounting Policies and Notes on Financial Statements	1&2		

**As per our report of even date attached
For GANESH VENKAT & CO.,
Chartered Accountants**

For and on behalf of the Board

**Sd/-
G. Rajavenkat
Partner
M.No. 025014**

**Sd/-
K. Ramakrishna Prasad
Managing Director**

**Sd/-
M.Madhusudan Rao
Director**

Hyderabad, May 29, 2014

M/s Sowbhagya Media Limited

Cash Flow Statement for the Year Ended 31st March, 2014

(Amount in Rs.)

	As at 31 March, 2014	As at 31 March, 2013
A.Cash flow from operating activities		
Net profit / (Loss) before taxation	(81,45,640)	49,07,497
Adjustments for:		
Depreciation	26,50,792	29,00,026
Bad debts written off	-	5,62,872
Loss on Sale of Fixed Assets	76,08,422	4,80,211
Interest & Financial Charges	72,969	1,39,531
Interest income	(9,20,577)	(7,28,157)
Operating profit before working capital changes	12,65,966	82,61,980
Adjustments for changes		
Increase/(Decrease) in Trade receivable	23,56,135	73,48,433
Increase/(Decrease) in Short term loans & Advances	(48,77,810)	11,33,487
Increase / (Decrease) in Other Current Assets	5,70,962	(5,24,040)
(Increase) / Decrease in Long Term Loans & Advances	13,00,000	34,96,000
(Increase) / Decrease in Trade Payable	(8,16,267)	(88,23,837)
(Increase) / Decrease in Other Current Liabilities	(2,40,766)	(13,30,947)
Cash (used) /generated from operations	(4,41,780)	95,61,076
Taxes paid	(59,020)	(2,70,858)
Net cash flow operating activities	(5,00,800)	92,90,218
B.Cash flows from investing activities		
Proceeds from Sale of Fixed Assets	19,85,431	78,000
Interest income	3,65,088	2,04,117
Purchase of Fixed Assets and other capital Expenditure	(12,52,916)	(10,84,229)
Net cash used in investing activities	10,97,603	(8,02,112)
C.Cash flow from financing activities		
Proceeds from Long Term Borrowings:		
Vehicle Loans (Repaid)	(2,77,342)	(3,07,562)
Interest Paid	(72,969)	(1,39,531)
Net cash used in financing activities	(3,50,311)	(4,47,093)
Net Increase / (Decrease) in cash and cash equivalents		
(A+B+C)	2,46,492	80,41,013
Cash and cash equivalents at the beginning of the year	1,18,81,702	38,40,689
Cash and cash equivalents at the end of the year	1,21,28,194	1,18,81,702

As per our report of even date attached

For and on behalf of the Board

For GANESH VENKAT & CO.,

Chartered Accountants

Sd/-

G. Rajavenkat

Partner

M.No. 025014

Sd/-

K. Ramakrishna Prasad

Managing Director

Sd/-

M.Madhusudan Rao

Director

Hyderabad, May 29, 2014

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles (GAAP) in India on accrual basis. GAAP comprises accounting standards as specified in rule 3 of the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956 to the extent applicable. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hereto in use.

B. Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as of the date of the financial statements and the reported amount of revenue and expenses of the year. Actual results could differ from these estimates. Any revision to estimates is recognised prospectively in current and future periods.

C. Fixed Assets

- a) Fixed assets are stated at original cost of acquisition/installation net of accumulated depreciation, amortization and impairment loss if any. The cost of fixed assets includes taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- b) Capital Work-in-progress is stated at amount expended up to the date of the Balance Sheet.

D. Depreciation/Amortization:

Depreciation on fixed assets is provided on Straight-Line Method at the rate specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets purchased/sold during the year is proportionately charged. Individual assets costing ` 5000 or less are depreciated within a year of acquisition.

E. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as an expense in the period in which they are incurred.

F. Impairment of Assets

Impairment of an asset is reviewed and recognized in the events of changes and circumstances indicate that the carrying amount of an asset is not recoverable. Difference between the carrying amount of an asset and the recoverable value is recognized as impairment loss in the statement of profit and loss in the year of impairment.

G. Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

H. Revenue Recognition:

a) Broadcasting Revenues:

Advertisement revenue (net of agency commission) is recognised when the related advertisement or commercial appears before the public i.e. on telecast. Subscription revenue is recognized on completion of service.

- b) Sales (Program/Film Rights) are recognized when the risk and rewards of ownership are passed onto the customers, which is generally on dispatch of goods.

b) Income from services is recognized proportionately over the period of service.

I. Taxes on Income:

Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year under the Income Tax Act, 1961.

Deferred tax

Deferred income taxes (AS 22 on Accounting for taxes on income) are recognized for the future tax consequences attributable to timing differences between taxable income and accounting income for a period that originate in one period and are capable of reversal in one or more subsequent periods. The effect on deferred tax and liabilities of change in tax rates will be recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) Credit entitlement

MAT credit entitlement represents the amounts paid in a year under Section 115JA/ 115JB of the Income Tax Act 1961 ('IT Act') which is in excess of the tax payable, computed on the basis of normal provisions of the IT Act.

Such excess amount can be carried forward for set off in future periods in accordance with the relevant provisions of the IT Act. Since such credit represents a resource controlled by the Company as a result of past events and there is evidence as at the reporting date that the Company will pay normal income tax during the specified period, when such credit would be adjusted, the same has been disclosed as "MAT Credit entitlement", in the balance sheet with a corresponding credit to the profit and loss account, as a separate line item.

Such assets are reviewed at each balance sheet date and written down to reflect the amount that will not be available as a credit to be set off in future, based on the applicable taxation law then in force.

J. Earnings Per Share (EPS)

In determining EPS, the Company considers the net profit / (loss) after tax attributable to Equity Share holders. Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number and dilutive equivalent equity shares outstanding during the year, except when the results would be anti dilutive.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

Notes on Financial Statements

Note No. 2.1 Share capital

(in Rupees)

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	No. of shares	Amount	No. of shares	Amount
(a) Authorised 1,50,00,000 (Previous Year 1,50,00,000) Equity shares of Rs.10 each with voting rights	1,50,00,000	15,00,00,000	1,50,00,000	15,00,00,000
(b) Issued 1,09,30,000 (Previous Year 1,09,30,000) Equity shares of Rs.10 each with voting rights	1,09,30,000	10,93,00,000	1,09,30,000	10,93,00,000
(c) Subscribed and fully paid up - (Refer Notes (i) to (iii)) 1,09,30,000 (Previous Year 1,09,30,000) Equity shares of Rs. 10 each with voting rights.	1,09,30,000	10,93,00,000	1,09,30,000	10,93,00,000
Total	1,09,30,000	10,93,00,000	1,09,30,000	10,93,00,000

1. The Company has only one class of shares referred to as equity shares having a par value of Rs. 10/-. Each holder of one equity shares is entitled to one vote per share.

Refer Notes (i) to (iii) below:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at at 31 March, 2013	Additions	As at at 31 March, 2014
Equity shares with voting rights:			
- Number of shares	1,09,30,000	-	1,09,30,000
- Amount in Rs.	10,93,00,000	-	10,93,00,000

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of the shareholder	As at 31 March, 2014		As at 31 March, 2013	
	No of Equity Shares held	% of Share holding	No of Equity Shares held	% of Share holding
Equity shares with voting rights				
Siri Media Private Limited	65,19,400	59.65	65,19,400	59.65

(iii) During the year 2011-12 , 54,65,000 Equity shares allotted as fully paid up without payment being received in cash.

Note No.2.2 Reserves and surplus

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Securities Premium Account		
Opening balance	-	2,20,50,000
Add : Securities premium credited on Share issue	-	-
Less : Utilised during the year for Issue of bonus shares	-	2,20,50,000
Closing balance	sub total (a)	-
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	51,24,781	10,77,279
Add: Net Profit / (Loss) for the current Year	(56,42,128)	40,47,502
Less: Dividends proposed to be distributed to equity Shareholders	-	-
Tax on dividend	-	-
Utilised during the year for issue of Bonus Shares	-	-
Closing balance	sub total (b)	51,24,781
	Total (a to b)	51,24,781

Note No. 2.3 Long-term borrowings

Particulars	As at 31st March, 2014	As at 31st March, 2013
Term loans From banks		
Secured		
Vehicle Loans	-	-
Total	-	-

Note No. 2.4. Deferred Tax Liability (Net)

Particulars	As at 31st March, 2014	As at 31st March, 2013
a) Deferred tax liability comprises of following:		
Fixed assets-(Depreciation)	5,96,703	40,70,961
Total (a)	5,96,703	40,70,961
b) Deferred tax Assets comprises of following:		
Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961	-	-
Unabsorbed depreciation	-	-
Others	-	-
Total (b)	-	-
Total Net (a-b)	5,96,703	40,70,961

Note 2.5. Trade payables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade payables:		
Micro, Small & Medium enterprises	-	-
Related Parties	23,39,873	31,56,140
Others	-	-
Total	23,39,873	31,56,140

Note No. 2.6. Other current liabilities

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Current maturities of long term debts	-	2,77,342
(b) Unpaid dividends (Refer Note No. i)	72,176	72,176
(c) Other Liabilities	5,05,608	6,18,133
(d) Statutory remittances		
- TDS	97,632	2,25,873
- Service Tax	-	-
Total	6,75,416	11,93,524

(i) Section 205 of the Companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.

Note No. 2.7. Short-term provisions

Particulars	As at 31st March, 2014	As at 31st March, 2013
Provision for Taxes		
(i) Provision for tax (net of advance tax)	25,20,863	24,16,933
(ii) Provision for proposed equity dividend	-	-
(iii) Provision for tax on proposed dividends	-	-
Total	25,20,863	24,16,933

Note 2.8. Fixed Assets

	Description of the Asset	Rate of Dep	Gross Value			Depreciation				Closing balance		
			Balance as at 01.04.2013	Additions	Sales / (Adjustments)	Balance as at 31.03.2014	Opening balance as at 01.04.2013	For the year	Sales / (Adjustments)	Total	Balance as at 31.03.2014	Balance as at 31.03.2013
	(i) Tangible assets											
a	Land	-	5,00,000	-	5,00,000	-	-	-	-	-	-	-
b	Building	3.34%	1,92,72,131	-	1,92,72,131	-	1,09,42,716	4,84,971	1,14,27,687	-	-	83,29,415
c	Leasehold improvements	3.34%	-	10,43,463	-	10,43,463	-	16,996	-	16,996	10,26,467	-
d	Plant & Equipments	4.75%	90,22,413	-	87,97,413	2,25,000	72,44,058	3,17,474	75,48,004	13,528	2,11,472	17,78,355
e	Furniture & Fixtures	6.33%	7,63,753	-	-	7,63,753	3,09,431	48,346	-	3,57,777	4,05,976	4,54,322
f	Vehicles	9.50%	1,55,75,746	-	-	1,55,75,746	59,60,101	14,79,696	-	74,39,797	81,35,949	96,15,645
h	Office Equipments	4.75%	4,46,840	2,26,303	-	6,73,143	1,69,620	27,655	-	1,97,275	4,75,868	2,77,220
i	Dubbing Equipment	7.07%	6,89,469	-	-	6,89,469	1,88,315	48,745	-	2,37,060	4,52,409	5,01,154
j	Editing Room Equipment	7.07%	22,17,131	-	-	22,17,131	5,73,182	1,56,751	-	7,29,933	14,87,198	16,43,949
k	Computers	16.21%	3,95,904	37,150	-	4,33,054	1,06,395	67,951	-	1,74,346	2,58,708	2,89,509
	Total		4,88,83,387	13,06,916	2,85,69,544	2,16,20,759	2,54,93,818	26,48,585	1,89,75,691	91,66,712	1,24,54,047	2,28,89,569
	(ii) Intangible assets											
	Computer software	16.21%	-	17,500	-	17,500	-	2,207	-	2,207	15,293	-
	Total		-	17,500	-	17,500	-	2,207	-	2,207	15,293	-
	Note No. 2.9 Capital work-in-progress		-	-	-	-	-	-	-	-	-	-
	Total		4,88,83,387	13,24,416	2,85,69,544	2,16,38,259	2,54,93,818	26,50,792	1,89,75,691	91,68,919	1,24,69,340	2,28,89,569
	Previous Year		4,71,61,451	25,82,844	6,57,000	4,90,87,295	2,05,09,412	28,92,402	1,49,596	2,32,52,218	2,58,35,076	

Note No. 2.10 Long-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
Capital Advance	2,84,000	7,84,000
Other loans and advances	1,75,80,000	1,87,80,000
Rental and Other deposits	7,00,000	3,00,000
Total	1,85,64,000	1,98,64,000

Note No. 2.11. Trade receivables

Particulars	As at 31st March, 2014	As at 31st March, 2013
Trade receivables - (Unsecured, considered good)		
Outstanding for a period Exceeding six months	2,40,65,287	2,42,08,894
Others	18,46,984	40,59,512
Total	2,59,12,271	2,82,68,406

Note No. 2.12. Cash and cash equivalents

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Cash on hand	5,11,584	1,88,411
(b) Balances with banks		
(i) In current accounts	22,44,422	11,21,885
(ii) In deposit accounts (Refer Note No. i)	93,00,000	1,05,00,000
(c) Unpaid dividend account (Refer Note No. ii)	72,188	71,406
Total	1,21,28,194	1,18,81,702

Note:

(ii) Balances with banks includes Fixed deposits amounting to Rs. 93,00,000/- (Previous Year Rs. 1,50,00,000).

(i) Section 205 of the Companies Act, 1956 mandates that companies transfer dividend that has been unclaimed for a period of seven years from unpaid dividend account to the Investor Education and Protection Fund (IEPF). Accordingly, if dividend is unclaimed for a period of seven years, it will be transferred to IEPF.

Note No. 2.13. Short-term loans and advances

Particulars	As at 31st March, 2014	As at 31st March, 2013
Unsecured, considered good		
(a) Loans and advances to related parties	3,30,52,831	3,07,40,582
(b) Security deposits	20,28,780	20,29,780
(c) Loans and advances to employees	-	40,000
(d) Balances with government authorities		
TDS Receivable	70,28,719	36,48,048
Cenvat Credit Receivable	7,21,225	14,83,563
(e) Prepaid Expenses	59,619	71,391
(f) Others	-	-
Total	4,28,91,174	3,80,13,364

Note No. 2.14 Other current assets

Particulars	As at 31st March, 2014	As at 31st March, 2013
Lease Rights of Films	18,71,000	24,41,962
Interest receivable	10,79,529	5,24,040
Total	29,50,529	29,66,002

Note

Program/film rights etc. for broadcasting are intangible assets as defined in AS – 26 but considered and shown under current assets as are used for broadcasting in the ordinary course of business.

Notes on Financial Statements

Note 2.15 Revenue from operations

Particulars	for the year ended 31st March, 2014	for the year ended 31st March, 2013
Income from TV. Serial Production/Media and entertainment services	2,96,52,500	5,28,60,000
Other Operating revenue	-	-
Total	2,96,52,500	5,28,60,000

Note 2.16. Other income

Particulars	for the year ended 31st March, 2014	for the year ended 31st March, 2013
Interest income	9,20,577	7,28,157
Other non-operating income	35,779	27,339
Total	9,56,356	7,55,496

Note 2.17. Expenditure on Film Media operations

Particulars	for the year ended 31st March, 2014	for the year ended 31st March, 2013
Expenditure on Films Production	-	-
Expenditure on Serial Production	2,17,71,993	3,74,34,610
TRP deduction	-	40,000
Total	2,17,71,993	3,74,74,610

Note 2.18 Employee benefits expense

Particulars	for the year ended 31st March, 2014	for the year ended 31st March, 2013
(Salaries and wages includes Managing Director's remuneration)	30,43,991	32,27,652
Staff welfare expenses	-	53,157
Total	30,43,991	32,80,809

Note 2.19. Finance costs

Particulars	for the year ended 31st March, 2014	For the year ended 31 March, 2012
(a) Interest expense on:		
(i) Borrowings	11,688	46,967
(ii) Others		
Interest on delayed / deferred payment of income tax/service tax etc.,	58,948	67,379
- Others	2,333	25,185
Total	72,969	1,39,531

Note 2.20 Other expenses

Particulars	for the year ended 31st March, 2014	for the year ended 31st March, 2013
Advertisement	99,650	71,448
Bad debts written off	-	5,62,872
Communication Expenses	1,17,282	88,702
Director Sitting Fee	9,000	24,000
Insurance	1,38,363	76,380
Legal, Professional & Consultancy charges	11,85,382	14,90,395
Loss on fixed assets sold / scrapped / written off	76,08,422	4,80,211
Miscellaneous expenses	10,130	1,33,970
Payments to auditors	1,12,500	1,12,360
Power and fuel	2,41,897	4,44,853
Printing and stationery	31,958	84,460
Rent	9,00,000	5,50,000
Rates and taxes	2,37,178	2,81,423
Repairs and maintenance	1,50,134	1,77,352
Travelling and conveyance	1,80,463	1,61,290
Vehicle Maintenance	1,48,261	1,07,586
Water	44,131	65,721
Total	1,12,14,751	49,13,023

Notes on Financial Statements

2.21 Commitments/ Contingent Liabilities :

S.No	Particulars	As at 31.03.2014	As at 31.03.2013
a.	Commitments/ Contingent Liabilities	Nil	Nil
b.	Claims against the Company not acknowledged as debts in respect of Income Tax Demands for the Assessment Years 2008-09 & 2009-10 Company has appealed against orders raised the demands. (Net of payments made under protest)	26,24,531	26,24,531
c.	Estimated amount of contracts, remaining to be executed on Capital account and not provided for (net of advance)	Nil	Nil

2.22 Program / Film rights etc., for broadcasting are intangible assets as defined in Accounting Standard – 26 but considered and shown under current assets as are under for broad casting in ordinary course of business.

2.23 During the year under review the company is engaged in one segment only ie., media & entertainment sector. Hence segment reporting as per Accounting Standard – 17 "Segmental Reporting" is not applicable to the company.

2.24 Related Party Transactions:

A. Names of related parties and description of relationship.

S.No	Relationship	Name of the Party
1.	Holding Company	M/s Siri Media Pvt. Limited
2.	Key Management Personnel (KMP)	Mr. K.Ramakrishna Prasad, Managing Director
3.	Relatives of Directors/Others	M/s Padma Media House

B. Related Party transactions are as under:

Type of Transaction	Holding Company		Key management Personnel		Relatives of Directors/Others	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Serial making contract	-	-	-	-	2,16,97,584	3,74,05,000
Rent paid	6,00,000	-	-	-	-	-
Managerial Remuneration	-	-	12,00,000	12,00,000	-	-
Loans & Advances	-	-	-	-	75,00,000	80,00,000
Credit balances outstanding as 31 st March	--	-	-	-	23,39,873	31,56,140
Debit balances outstanding as 31 st March	3,84,72,831	3,48,81,620	-	-	-	-

2.25 Payments to Auditors:

S.No.	Particulars	2013-14 Rs.	2012-13 Rs.
1.	Statutory & Tax Audit	1,12,500	1,12,360
	Total	1,12,500	1,12,360

- 2.26 The additional information required under Para 5 of Part II of revised Schedule VI is not applicable to the company at present.
- 2.27 Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.
- 2.28 Figures of the previous year have been re-grouped/re-cast wherever necessary to conform to the current year's presentation/classification.
- 2.30 Figures are rounded off to the nearest rupee.

Signatures to notes on financial statements 2.1 to 2.30

As per report of even date

For and on behalf of the Board

for **GANESHVENKAT & Co.,**
Chartered Accountants
Firm Registration No: 05293S
Sd/-

Sd/-

Sd/-

G.Rajavenkat
Partner
Membership No.25014

K.Ramakrishna Prasad
Managing Director

M.Madhusudana Rao
Director

Hyderabad, May 29 , 2014

SOWBHAGYA MEDIA LIMITED
Plot No. 854E, Road No. 44A JUBILEE HILLS, Hyderabad-500 033
PROXY FORM

Folio Number:

DP ID & CLIENT ID

I/We _____ resident of _____

being a member in M/s Sowbhagya Media Limited hereby appoint Mr/Ms. _____
resident of _____ as
proxy to vote for and on behalf of us in the 19th Annual General Meeting of the Company to be
held on 30th September, 2014, Tuesday at "S Square", Plot No. 854, Road No 44A, Jubilee Hills,
Hyderabad - 500 033 at 11:00 AM

a) Mr. _____ failing him

b) Mr _____ failing him

c) Mr. _____

Number of Shares Held: _____

Reference/Folio/Demat No. _____

Signed on _____

Affix
Re.1
Stamp &
Counter sign.

Note:

1. A Proxy need not be a Member of the Company.

2. This form in order to be effective should be duly stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Folio Number:

Client Id

I/we _____, a member in Sowbhagya Media
Limited holding _____ (number of shares) hereby record my
presence for the Nineteenth Annual General Meeting of M/s Sowbhagya Media Limited held on 30th
September, 2014, Tuesday at "S Square", Plot No. 854, Road No 44A, Jubilee Hills, Hyderabad -
500 033 at 11:00 AM

Member's/Proxy's Name & Signature

SOWBHAGYA MEDIA LIMITED
Plot No. 854E, Road No. 44A JUBILEE HILLS, Hyderabad-500 033

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on 30th September, 2014 at S Square", Plot No. 854, Road No 44A, Jubilee Hills, Hyderabad – 500 033 at 11:00 AM, to transact the business as set out in the Notice dated 30th August, 2014 a copy of which, along with the relative explanatory statement has been posted to the Members of the Company at their address registered with the company, together with the Annual Report and accounts for the year ended 31st March, 2014.

The Register of Members and the Share Transfer Books will remain closed from 23rd September, 2014 to 25th September, 2014 (both days inclusive)

A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, to vote instead of himself and the Proxy need not be a Member of the Company. Proxies, in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before time fixed for the Meeting

Hyderabad.

Dated: 30th August, 2014.

By Order of Board of Directors
For M/s Sowbhagya Media Limited
Sd/-
Managing Director.

Dear Shareholders,

The Ministry of Corporate Affairs, ('Ministry') has taken a green initiative in Corporate Governance by allowing paperless compliances by Companies through Electronic Mode. In accordance with the recent circular bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, Companies can now send various notices/documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report, etc) to their shareholders through electronic mode to the registered e-mail addresses of the shareholders.

It is a welcome move for the Society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment. This is also a golden opportunity for every shareholder of Sowbhagya Media Limited to contribute to the Corporate Social Responsibility initiative of the Company.

ADVANTAGES OF REGISTERING FOR E-COMMUNICATION:

- Receive communication promptly
- Reduce paper consumption and save trees
- Eliminate wastage of paper
- Avoid loss of document in postal transit
- Save costs on paper and on postage

To enable your Company to implement the system, we would request you to register your E-Mail address, in respect of electronic holdings with the Depository through your concerned Depository Participants.

Members who hold shares in physical form are requested to return the enclosed form duly filled in and signed to the Company. The same can be mailed to info@sowbhagya.in

Kindly note that if you still wish to receive a physical copy of all the above mentioned communications/documents, you are requested us to inform registrar in writing accordingly.

Lets be part of the Green Initiative

Best Regards,

For Sowbhagya Media Limited

Sd/-

K. Ramakrishna Prasad,

Managing Director

Application form for Registration of Email address

To

M/s Sowbhagya Media Limited

Hyderabad – 500 033.

Sub: Registration of Email address

I / we, agree to receive documents / annual reports / notices / financial statements / other communications through email and provide you my / our, email address and other details:

- Name of the Shareholder(s): _____
- Folio No. / DP ID – Client ID: _____
- Address: _____
- Email address : _____

I / we hereby declare that the particulars given above are correct and complete. If the communication is delayed or not effected at all for reasons of incomplete or incorrect information or technical snag at the receiving server, I / we would not hold Sowbhagya Media Limited as responsible. I further state that for registering any change in my email address from time to time, I / we will submit an application through the above email address or submit a fresh application form in order to authenticate the request, if I am / we are not able to send such application through the above email address.

Signature of the shareholder(s)

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.



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If Undelivered return to

Sowbhagya Media Limited

REGISTERED OFFICE: Plot No. 854 E, Road No. 44A, Jubilee Hills,
Hyderabad – 500 033