

**SOWBHAGYA MEDIA LIMITED**



Date: 30/09/2016  
Place: Hyderabad

To,  
Department of Corporate Affairs,  
BSF Limited,  
25<sup>th</sup> floor, P J Towers,  
Dalal Street,  
Mumbai- 400 001

Respected Sir/madam,

**Sub: Submission Annual Report-2015-16- Regulation 34 of SEBI (LODR) Regulations, 2015**

**Ref: Scrip Id: Sowbhagya & Scrip Code: 532025**

With reference to the cited subject, the 21<sup>st</sup> Annual General meeting of **M/s. Sowbhagya Media Limited** held on 30<sup>th</sup> September, 2016 on Friday at "S Square", Plot No. 854E, Road No-44, Jubilee Hills, Hyderabad – 500 033 at 11:00 AM.

Kindly acknowledge the receipt of the same.

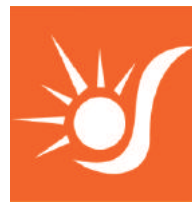
**For Sowbhagya Media Limited**  
**CIN-L51109AP1994PLC018800**

**K Ramakrishna Prasad**  
Managing Director  
DIN: 00016309



**Encl: Annual Report for the FY 2015-16**

# Annual Report 2015-2016



**SOWBHAGYA MEDIA LIMITED**



**BOARD OF DIRECTORS**

**Sri K. Ramakrishna Prasad**

Managing Director

**Sri V.Kishore**

Director

**Sri M.MadhusudhanaRao**

Director

**Smt. Sitha Balu**

Women Director

**CIN:** L51109AP1994PLC018800

**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

**BANKERS**

**Vijaya Bank, Hyderabad**

Bank of India, Hyderabad

UCO Bank, Hyderabad

Corporation Bank, Hyderabad

**CHIEF FINANCIAL OFFICER:**

Pasupuleti Pakeeriah

**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



**CORPORATE INFORMATION**

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIRST ANNUAL GENERAL MEETING OF M/S. SOWBHAGYA MEDIA LIMITED WILL BE HELD ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2016, AT 11.00 AM AT THE REGISTERED OFFICE OF THE COMPANY "S SQUARE", PLOT NO. 854E, 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, 2016 and the Balance Sheet as on that date and the cash flow statement for the year ended together with the schedules and Reports of the Board of Directors and the Auditors thereon.

1. 2. To consider re-appointment of **M/s. Ganesh Venkat & Co., Chartered Accountants**, Hyderabad as Statutory Auditors of the Company and fixing their remuneration:

To consider and if thought fit to pass with or without modifications(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**, Hyderabad 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 **Twenty Second AGM** of the Company to be held in the year 2017, 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."

3. To re-appoint **Shri. Madhusudan Rao Madikonda**, as Director, who retires by rotation and, being eligible, seeks re-appointment.

**RESOLVED THAT** pursuant to the provisions of Section 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the re-appointment of **Shri. Madhusudan Rao Madikonda** (DIN: 01638593) as a Independent director, to the extent that he is required to retire by rotation.

**NOTES:**

1. The relevant details as required under SEBI (LODR) Regulations, 2015, the Listing Agreements entered with the Stock Exchanges, of persons seeking appointment/ re-appointment as Directors under Item No. 3 are annexed.
2. 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.

3. 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.
4. The Register of Members and Share Transfer Books will remain closed from Monday 26<sup>th</sup> September, 2016 to Thursday 29<sup>th</sup> September 2016 (Both days are inclusive).
5. 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.
6. 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, 2016, nor shall any payment be made in respect of such claim.
7. The Notice of the AGM along with the Annual Report 2015-16 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.
8. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories.
9. In compliance with provisions of Section-108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 21<sup>st</sup> AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services Limited (CDSL).
10. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.



11. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
12. The remote e-voting period commences on **Tuesday, 27<sup>th</sup> September 2016 (9:00 am) and ends on Thursday, 29<sup>th</sup> September 2016 (5:00 pm)**. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. Friday, 23<sup>rd</sup> September 2016**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

- I. **In case of members receiving e-mail:**  
Log on to the e-voting website  
Click on “Shareholders” tab.
- II. Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT” (iv)
  - o Now Enter your User ID
  - o For CDSL: 16 digits beneficiary ID,
  - o For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - o Members holding shares in physical Form should enter Folio Number registered with the Company.
- III. Next enter the Image Verification as displayed and Click on Login.
- IV. If you are holding shares in de-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- V. If you are a first time user follow the steps given below:

| <b>For Members holding shares in De-mat Form and Physical Form</b> |  |
|--|--|
| PAN*   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both de-mat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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 Siva Sankar with sequence number 1 then enter SI00000001 in the PAN field.</p> |



|                       |   |
|-----------------------|---|
| 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.<br><br>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. |

- VI. After entering these details appropriately, click on “SUBMIT” tab.
- VII. 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.
- VIII. For Members holding shares in physical form, the details can be used only for e- voting on the resolutions contained in this Notice.
- IX. 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
- X. the option “YES/NO” for voting. Select the option YES or NO as desired. The option
- XI. YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- XIII. 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.
- XIV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XV. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- XVI. 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.
- XVII. 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.
- XVIII. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- XIX. 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.
- XX. The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on
- XXI. Approval of the accounts they would be able to cast their vote.





XXII. 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Sd/-**

**K. Ramakrishna Prasad**

**Managing Director**

**DIN-00016309**

06<sup>th</sup> September, 2016

Hyderabad

CIN: L51109AP1994PLC018800

Registered Office:

Plot No. 854E, Road No. 44A, Jubilee Hills,

Hyderabad – 500 033.



**TO THE MEMBERS**

**SOWBHAGYA MEDIA LIMITED**

Your Directors present their report for the Financial Year 2014-15 along with the material events that have taken place till the date of this report.

**Financial Results:**

(Amount in Rs.)

| <b>Particulars</b>  | <b>As on<br/>31.03.2016</b> | <b>As on<br/>31.03.2015</b> |
|---|-----------------------------|-----------------------------|
| 1. Net Sales/Income from Operations   | 5,44,49,000                 | 2,59,02,500                 |
| 2. Total Operating Expenditure  | 5,46,49,859                 | 3,00,85,690                 |
| <b>3. Profit/Loss from Operations before Other<br/>Income, Interest and Exceptional Items (1-2)</b> | (2,00,859)                  | (41,83,189)                 |
| 4. Other Income   | 14,60,115                   | 12,78,927                   |
| 5. Interest   |                             |                             |
| <b>6. Profit (+)/ Loss (-) from Ordinary Activities<br/>before tax</b>                              | 22,10,040                   | (29,04,263)                 |
| 7. Tax Expense  | 8,03,576                    | (72,684)                    |
| 8. Net Profit (+)/ Loss (-) from Ordinary Activities<br>after tax                                   | 30,13,616                   | (29,76,947)                 |
| 9. Paid-up equity share capital   | 10,93,00,000                | 10,93,00,000                |
| (Face Value of the Share shall be indicated)  | Rs. 10/- each               | Rs.10/- Each                |
| 10. Earnings Per Share  | 0.28                        | (0.27)                      |

During the year under review your Company has generated net profits of Rs. 30,13,616/- as against loss of Rs. 29,76,947/- in the previous year.

**DIVIDEND:**

In view of the Profits made by the Company during the year under review, your Directors hope to recommend dividend in the next financial year.

**FINANCE:**

During the year under review, your Company did not raise any capital from the capital markets either by way of issue of equity shares /ADR/GDR / or any debt by way of debentures. The Company continued to get financial assistance from its lenders within the overall facilities to meet the working capital requirements.

**NEW PROJECTS:**

It is glad to inform you that your company has promoted and successfully launched new website i.e. [www.cineudayam.com](http://www.cineudayam.com) on 04th May, 2016 and this website was inaugurated by Hon'ble Member of Rajya Sabha and famous Bollywood Artist Mr. Shatrughan Sinha.



**PUBLIC DEPOSITS:**

Your Company did not invite or accept deposits from public during the year under review.

**LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE where the Company's Shares are listed.

**DEMATERIALISATION OF SHARES:**

95.27% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March, 2016 and balance 4.73% is in physical form.

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

**DIRECTORS:**

Sri K. Ramakrishna Prasad, DIN-00016309, 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, an Independent Director, is a commerce graduate and with two decades of experience in Regional Entertainment Industry. He is known for his turnaround strategy in business.

Sri M. Madhusudana Rao, an Independent Director, 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.

Smt. Sitha Balu, an Women Director and Independent Director is a Graduate and has vast experience in writing novels and books that brings rich and varied experience to the Company, she would ensure the organization has continued growth and expansion in this challenging and rewarding environment with her knowledge.

**CHIEF FINANCIAL OFFICER (CFO):**

The Board has appointed Mr. Pakeeraiah Pasupuleti as Chief Financial Officer of the Company in the board of directors meeting held on 31<sup>st</sup> December, 2015 at the registered office of the Company situated at "S Square, Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad- 500033 with a remuneration of Rs. 30,000/- per month.



**BOARD & COMMITTEE MEETINGS:**

During the year under review, the following Board/Committee Meetings were convened and held:

(a) Seven (7) Board Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(b) Four (4) Audit Committee Meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

(c) Two (2) Nomination & Remuneration Committee Meeting was held, details of which are given in the Corporate Governance Report.

(d) Two (2) Stakeholders Relationship Committee Meeting was held, details of which are given in the Corporate Governance Report.

**VIGIL MECHANISM:**

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for framework and process whereby concerns can be raised by its employees against any kind of discrimination, harassment, victimization or any other unfair practice being adopted against them. More details on the vigil mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

**RISK MANAGEMENT POLICY:**

Company is in the process of adopting a Business risk evaluation and management policy. However, Business risk evaluation and management is an ongoing process within the organization. The Board of Directors reviews the reports of compliance to all applicable laws and regulations periodically. Any non-compliance is seriously taken up by the Board and the action taken for rectification of non-compliance is reported to the Board.

**CORPORATE SOCIAL RESPONSIBILITY POLICY:**

As per Section 134(3) (o) of the companies Act 2013, the company is not under given criteria hence CSR is not applicable.

**PARTICULARS OF EMPLOYEES/MD/CFO:**

There are no employees, whose particulars are required to be furnished under Section 197(12) read with Rule 5 (1) (2) & (3) of Companies (Appointment & Remuneration) Rules, 2014 as remuneration of none of the employee is in excess of 5,00,000/- per month during the financial year but the remuneration of MD & CFO paying by the company as follows:

Ratio of remuneration of each Director to the median remuneration of employees of the Company for the financial year 2015-16 and the Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any in the financial year.



| S. No | Name                          | Designation             | Remuneration  | Ratio to median remuneration | % increase in remuneration in the financial year |
|-------|-------------------------------|-------------------------|---------------|------------------------------|--|
| 1     | Kondapalli Ramakrishna Prasad | Managing Director       | 12,00,000 p.a | --                           | NA   |
| 2     | Pakeeriah Pasupuleti          | Chief Financial Officer | 3,60,000 p.a  | --                           | NA   |

Note: Company has not paid any remuneration to other directors except to the Managing Director of the Company during the financial year 2015-16.

**CONSTITUTION OF INTERNAL COMPLIANTS COMMITTEE:**

The Company has adopted a policy on prevention and redressal of sexual harassment of women at work place as per the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and no complaints were received by the Company.

**SECRETARIAL STANDARDS:**

As Secretarial Standards as approved by the Central Government, haven been issued by the Institute of Company Secretaries of India (ICSI), under the provisions of Section 118(10) of the Companies Act, 2013 (the Act), vide ICSI Notification No. 1 (SS) of 2015 dated April 23rd, 2015 and these standards are applicable to all the companies. ICSI has notified two Secretarial Standards i.e. SS-1 and SS-2 for Board and General Meetings respectively with effect from 1<sup>st</sup> July 2015 and Company is implementing all those standards.

**ENERGY CONVERSATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:**

- A. Conversation of Energy: NIL
- B. Technology Absorption: NIL
- C. Foreign Exchange Earning: NIL
- D. Foreign Exchange Outgo: NIL

**DIRECTORS RESPONSIBILITY STATEMENT:**

As required under section 134(5) of the companies act, 2013 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, 2016 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, 2016 have been prepared on a going concern basis;



**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Related party transactions that were entered during the financial year were on an arm's length basis and were in the ordinary course of business. There are transactions with related parties referred to in Section 188(1) in the company during the financial year and the complete details incorporated in the notes to accounts and the particulars of contracts entered during the year as per **Form AOC-2** is enclosed as **Annexure-A**.

**REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required by 'SEBI (LODR) Regulations, 2015', the Management discussion and Analysis Report is enclosed as a part of this Annual report -**Annexure - B**.

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 specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this report.

**SECRETARIAL AUDIT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Mr. G S L N Gupta, Practicing Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2016. The Report of the Secretarial Audit Report is annexed herewith as **Annexure 'C'**.

**Directors' explanation on the comments of the Secretarial Auditor for the year ended 31st March, 2016 as set out in his Secretarial Audit Report dated 25<sup>th</sup> May, 2016 is as follows:**

- (i) With reference to sub-clause (a) of clause (vi) of the said report wherein the Secretarial Auditor Has mentioned that the company has not registered under A.P. Tax on Professions, Trades, Callings and Employments Act, 1987 for professional tax of company, the board would like to inform that, necessary steps are taking to get registration and to comply the applicable provisions under the said Act.
- (ii) With reference to sub-clause (b) of clause (vi) of the said report wherein the Secretarial Auditor has mentioned that the company has not registered under Shops & Establishments Act, the board would like to inform that, necessary steps are taking to get registration and to comply the applicable provisions under the said Act.
- (iii) With reference to sub-clause (c) of clause (vi) of the said report wherein the Secretarial Auditor Has mentioned that there is no full time Company Secretary in the company as per the provisions of the Companies Act 2013 and as per the SEBI (LODR) Regulations, 2015 the Board would like to inform you that the company is taking all necessary steps to appoint full time Company Secretary at the earliest.
- (iv) With reference to sub-clause (d) of clause (vi) of the said report wherein the Secretarial Auditor Has mentioned In his note that, There are existing cases filed against the company and its Managing Director by Central Bureau of Investigation (CBI) and Directorate of enforcement under the prevention of money laundering Act, 2002 and few properties of the company under provisional attachment with Enforcement



Directorate, the Board would like to inform you that the company is confident that it has not done anything wrong and The company is co-operating with the above government agencies and company would be able to give replies to the allegations to the satisfaction of the government agencies involved.

**EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT- 9 as a part of this Annual Report- **Annexure‘D’**.

**MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**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 re-appointment.

**CORPORATE GOVERNANCE AND SHAREHOLDERS’ INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in SEBI (LODR) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report (Annexure-B).

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

Information required under Section 134 of the Companies Act, 2013 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 134 of the Companies Act, 2013 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.



**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-DIN- 00016309**

**Sd/-  
M. MADHUSUDANA RAO-DIRECTOR- DIN- 0163859**

Hyderabad, 25<sup>th</sup> May 2016.





**RELATED PARTY TRANSACTIONS:  
ANNEXURE – A**

TO THE DIRECTORS' REPORT

Particulars of Contracts or Arrangements with Related parties referred to in Section 188(1) in Form AOC- 2:

**Form No. AOC-2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies  
(Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions at arm's length basis**

**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 |

**B. Related Party transactions are as under:**

| Type of Transaction                                       | Holding Company |             | Key management Personnel |           |
|---|-----------------|-------------|--------------------------|-----------|
|   | 2015-16         | 2014-15     | 2015-16                  | 2014-15   |
| Rent paid   | 12,00,000       | 12,00,000   | -                        | -         |
| Managerial Remuneration                                   |                 |             | 12,00,000                | 12,00,000 |
| Debit balances outstanding as 31 <sup>st</sup> March 2016 | 3,43,75,971     | 3,80,80,471 | -                        | -         |

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188- Not Applicable.

**2. Details of material contracts or arrangement or transactions at not arm's length basis- NIL**

For Sowbhagya Media Limited

Sd/-

K. Ramakrishna Prasad, DIN-00016309

Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

Based on the positive market conditions and continuous efforts of the management during the year 2015-16 does affect the Turnover positively. Earlier your company has reported a turnover of Rs. 259.02 Lakhs in the year 2014-15 and it is increased to Rs. 544.49 Lakhs in 2015-16.

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

Table with 3 columns: Risk Category, Description, and Mitigation Strategy. Rows include Economic Slowdown Risk and Competition risk.



|  |   |  |
|--|---|--|
|  |   | and enjoys strong brand recognition with shows commanding good premium   |
| <b>Risk of unfavorable government policies</b> | Any unprecedented change in government policy may increase the overall cost   | The company is suitably positioned to absorb recover or pass on the raise in taxes to channels, distributors or exhibitors                       |
| <b>BUSINESS RISKS</b>                          |   |  |
| Risk of changing audience preferences          | Rapid change in viewer tastes and preferences can impact business adversely   | The company dedicated team conducts research to understand evolving audience preferences, one result of such an effort is the new media business |
| <b>HUMAN RESOURCE RISK</b>                     |   |  |
| <b>Talent retention and management risk</b>    | The business depends on key talent (story writers, creative heads, lead artists, directors, technicians, among others) Non availability of such resources could impact business | Management of the company has always attracted the best talent in the industry; It has created stars and transformed artists careers.            |

**SWOT ANALYSIS**

| <b>Strength</b>  | <b>Challenges</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>♣ Powerful Strategies supported by Competitive</li> <li>♣ Experience in the Key Areas</li> <li>♣ Not attracting new customers as rapidly as</li> <li>♣ Strong Financial Position</li> <li>♣ Brand Image</li> <li>♣ Corporate Reputation</li> <li>♣ Market Leader</li> <li>♣ Advanced and superior skills in technology.</li> <li>♣ Cost advantages of firm.</li> <li>♣ Strong and advertising network of firm.</li> <li>♣ New product innovation skills of firm.</li> </ul> | <ul style="list-style-type: none"> <li>♣ Limiting ourselves to one Regional Language</li> <li>♣ Fixed Channels used for Telecast</li> <li>♣ Inadequate distribution channels of firm.</li> <li>♣ Major vulnerability to industry driving forces</li> <li>♣ Valuable Skills</li> </ul> |
| <b>Opportunities</b>   | <b>Threats</b>  |



|   |   |
|---|---|
| <ul style="list-style-type: none"><li>♣ Expansion of business activities</li><li>♣ Expansion of product segments</li><li>♣ Expanding the firm’s product line effective utilization of existing skills and technologies to enter new market with new product and services</li><li>♣ Using the internet and e-commerce network communications and technologies to dramatically cut costs</li><li>♣ Integration of backward and forward diversification of business.</li></ul> | <ul style="list-style-type: none"><li>♣ Piracy</li><li>♣ Increasing the intensity of firm’s competition in market.</li><li>♣ Technological changes impact for Product demand reduced from customers.</li><li>♣ New Government regulatory requirements.</li><li>♣ Growing bargaining powers of vendors in market.</li><li>♣ Adverse demographic changes which threaten to curtail demand</li></ul> |
|---|---|

**DISCLOSURE OF ACCOUNTING TREATMENT**

In the preparation of Financial Statements for the Financial Year 2015-16 there is no treatment of any transaction different from that prescribed in the Accounting Standards.

**REPORT ON CORPORATE GOVERNANCE:**

**Annexure – B  
TO THE DIRECTORS’ REPORT**

As the company is a part of Group/Index- XD of Bombay Stock Exchange (Security ID ‘ SOWBHAGYA’), in terms of SEBI (LODR) Regulations, 2015 the Compliance Report on Corporate Governance along with the Certificate of Statutory Auditors is given as under.

**COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance envisages the adoption of best business policies and alignment of the highest levels of transparency, integrity, honesty, accountability and equity in all facets of its operations and in all its interactions with its stakeholders including shareholders, bankers, government and employees. The Company is committed to best corporate governance practices which stems not only from the letter of law but also from the inherent belief of doing business in the right way. The Company believes that all its actions and operations must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

**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 has an optimum combination of Executive and Non-Executive Directors in conformity with Regulation 17(1) of SEBI (LODR) Regulations, 2015, to maintain the independence of the Board and to separate the Board functions of governance and management.

| Category                            | No. of Directors | Percentage to Total no. of Directors |
|-------------------------------------|------------------|--------------------------------------|
| Executive/Promoter Directors        | 1                | 25%                                  |
| Non-Executive/Independent Directors | 3                | 75%                                  |

| Meetings and Attendance Particulars | Category                    | No. of Other Directorships | No. of Meetings attended |
|-------------------------------------|-----------------------------|----------------------------|--------------------------|
| <b>Executive Directors</b>          |                             |                            |                          |
| K. Ramakrishna Prasad               | Executive Promoter Director | 2                          | All                      |
| <b>Independent Directors</b>        |                             |                            |                          |
| M. Madhusudhana Rao                 | Non-Executive Director      | -                          | All                      |
| Vadde Kishore                       | Non-Executive Director      | -                          | All                      |
| Sita Balu                           | Non-Executive Director      | -                          | All                      |

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.

The Chairman and Managing Director provide leadership to the Board and to the Management in strategizing and realizing business objectives. The Independent Directors contribute by giving their valuable guidance and inputs with their independent judgment on the overall business strategies and performance.

None of the Directors on the Board is a Member of more than 10 (ten) Committees and Chairman of more than 5 (five) Committees (as specified in Regulation 21 of SEBI (LODR) Regulations, 2015), across all the Companies in which he / she is a Director as per the disclosures made by all the Directors.

**Independent Directors:**

The Company has complied with the definition of Independence as per Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

None of the Independent Directors on the Board serve as an Independent Director in more than seven listed companies.



The Whole time Directors does not serve as an Independent Director in more than three listed companies.

**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, 2016, Seven Meetings of the Board were held, as follows:

| Sl. NO. | Date of Board Meeting | Strength of Directors | of | Directors Present |
|---------|-----------------------|-----------------------|----|-------------------|
| 1       | 25-05-2015            | 4                     |    | 4                 |
| 2       | 14-08-2015            | 4                     |    | 4                 |
| 3       | 03-09-2015            | 4                     |    | 4                 |
| 4       | 07-11-2015            | 4                     |    | 4                 |
| 5       | 31-12-2015            | 4                     |    | 4                 |
| 6       | 06-02-2016            | 4                     |    | 4                 |
| 7       | 25-03-2016            | 4                     |    | 4                 |



## II. COMMITTEES OF THE BOARD:

Currently there are the below mentioned Board Committees –

- a) Audit Committee
- b) Nomination and remuneration committee
- c) Stakeholders Relationship 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:

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

- a. 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;
- b. 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;
- c. 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
- d. Compliance with Accounting Standards
- e. Compliance with Stock Exchange and legal requirements concerning financial statements
- f. Related party transactions;
- g. 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;
- h. Reviewing the adequacy of the internal audit function, including the structure of the
- i. 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 | No. of Meetings attended |
|--------------------|-----------------|--------------------------|
| M. Madhusudan Rao  | 4               | 4                        |
| V. Kishore         | 4               | 4                        |
| Sitha Balu         | 4               | 4                        |

**Meetings and Attendance:**

During the financial year ended 31<sup>st</sup> March, 2016, four meetings of the Audit Committee were held, as follows

| Sl. NO. | Date of Board Meeting | Strength of Directors | of | Directors Present |
|---------|-----------------------|-----------------------|----|-------------------|
| 1       | 25-05-2015            | 3                     |    | 3                 |
| 2       | 14-08-2015            | 3                     |    | 3                 |
| 3       | 07-11-2015            | 3                     |    | 3                 |
| 4       | 06-02-2016            | 3                     |    | 3                 |

**NOMINATION AND REMUNERATION COMMITTEE:**

The Nomination and 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 Nomination and remuneration 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 Nomination and 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 |
|--------------------|----------------------|--------------------------|
| Vadde Kishore *    | 2                    | 2                        |
| M. Madhusudana Rao | 2                    | 2                        |
| Sitha Balu         | 2                    | 2                        |

\* Sri Vadde Kishore 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.

**Dates of Nomination and remuneration committee meetings:**

| Sl. NO. | Date of Board Meeting | Strength of Directors | Directors Present |
|---------|-----------------------|-----------------------|-------------------|
| 1       | 25-05-2015            | 3                     | 3                 |
| 2       | 06-02-2016            | 3                     | 3                 |

**DETAILS OF REMUNERATION TO EXECUTIVE DIRECTORS:**

|             |   |
|-------------|---|
| Particulars | Sri K. Ramakrishna Prasad, DIN-00016309 |
| Salary      | Rs.12,00,000 per annum.                 |

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

Stakeholders Relationship 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 |
|--------------------|----------------------|--------------------------|
| Vadde Kishore *    | 2                    | 2                        |
| M. MadhusudhanaRao | 2                    | 2                        |
| Sitha Balu         | 2                    | 2                        |

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

**Dates of Stakeholders Relationship Committee meetings:**

| Sl. NO. | Date of Board Meeting | Strength of Directors | Directors Present |
|---------|-----------------------|-----------------------|-------------------|
| 1       | 25-05-2015            | 3                     | 3                 |
| 2       | 06-02-2016            | 3                     | 3                 |



Number of Shareholders Complaints received so far- Nil  
Number not solved to the Satisfaction of Shareholders- Nil  
Number of Pending Share Transfers- Nil

**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          |
|------------|--|------------------------|
| 2012- 2013 | “S SQUARE”, Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033 | 30.09.2013, 11:00 A.M. |
| 2013-2014  | “S SQUARE”, Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033 | 30.09.2014, 11:00 A.M. |
| 2014-2015  | “S SQUARE”, Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad – 500 033 | 30.09.2015, 11:00 A.M. |

Whether Special Resolutions were put through postal ballot last year, details of Voting Pattern: Name of the 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:**

- (i) Disclosure on materially significant related party transactions that may have positional conflict with the interests of company at large, None of the Confirmation was placed before the Audit Committee and the Board that all related party transactions during the financial year 31st March, 2016.
- (ii) Details of Non Compliance by the Company, Penalties, and 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- Nil
- (iii) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee- Nil
- (iv) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause- Nil

**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.



**MEANS OF COMMUNICATION**

In this era of Information Technology, passing on the message should never take more time or cost. Quarterly Results: The Un- Audited Quarterly Results and Audited Financial results for the year ending along with the Notes were published in the Newspaper as under:

| News Papers       | Date of Publication of the results for the Quarter Ended. |               |                |               |
|-------------------|---|---------------|----------------|---------------|
|                   | Q1- 30-06-2015  | Q2-30-09-2015 | Q3- 31-12-2015 | Q4-31-03-2016 |
| Financial Express | 15.08.2015  | 08.11.2015    | 07.02.2016     | 26.05.2016    |
| Andhra Prabha     | 15.08.2015  | 08.11.2015    | 07.02.2016     | 26.05.2016    |

**MD AND CFO CERTIFICATION:**

The Managing Director and Chief Financial Officer of the Company gives annual certification on financial reporting and internal controls to the Board [Pursuant to Regulation 17(8) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] is forms part of this annual report.

**I. GENERAL SHAREHOLDER INFORMATION:**

|  |   |
|--|---|
| <b>Date, time and venue of Annual General Meeting,</b> | Friday, 30 <sup>th</sup> September, 2016 at 11:00 AM at the Registered Office Situated at Plot No. 854E, Road No. 44A, Jubilee Hills, Hyderabad – 500 033 |
| <b>Date of Book Closure</b>                            | 26th September, 2016 to Thursday 29th September, 2016 (both days inclusive)   |
| <b>Listing on Stock Exchanges</b>                      | <b>Bombay Stock Exchange:</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001   |
| <b>Stock Codes/Security Code</b>                       | SOWBHAGYA/532025  |
| <b>Listing Fees</b>                                    | Paid upto date i.e. 31.3.2016   |

| Stock Data- Yearly | 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  |          |       |
| 2015               | 7.35  | 2.75 | 4.6   | 0.61  |          |       |
| 2016               | 11.80 | 4.80 | 7.00  | -0.84 |          |       |



| Monthly High, Low and Average. | High  | Low  | * Spread |       |
|--------------------------------|-------|------|----------|-------|
|                                |       |      | H-L      | C-O   |
|                                |       |      | Apr-15   | 4.20  |
| May-15                         | 4.64  | 3.94 | 0.70     | 0.56  |
| Jun-15                         | 5.09  | 4.70 | 0.39     | 0.00  |
| Jul-15                         | 7.35  | 4.42 | 2.93     | 1.15  |
| Aug-15                         | 5.35  | 4.72 | 0.63     | -0.63 |
| Sep-15                         | 5.42  | 4.50 | 0.92     | 0.31  |
| Oct-15                         | 6.51  | 4.77 | 1.74     | 1.72  |
| Nov-15                         | 8.01  | 6.18 | 1.83     | 1.10  |
| Dec-15                         | 8.01  | 7.42 | 0.59     | 0.03  |
| Jan-16                         | 9.57  | 8.03 | 1.54     | -0.05 |
| Feb-16                         | 9.14  | 7.21 | 1.93     | -0.12 |
| Mar-16                         | 11.80 | 6.86 | 4.94     | 1.18  |

**Registrars to an issue and Share 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

**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.

**DISTRIBUTION OF SHAREHOLDING:**

The Distribution of Shareholders' as on 31<sup>ST</sup> March, 2016.

| Distribution      | No. of Share holders | Percentage    | Amount in Rs.    | Percent of Total Shares |
|-------------------|----------------------|---------------|------------------|-------------------------|
| Upto 5,000        | 456                  | 59.84         | 564120           | 0.52                    |
| 5,001 - 10,000    | 122                  | 16.01         | 1126740          | 1.03                    |
| 10,001- 20,000    | 39                   | 5.12          | 675870           | 0.62                    |
| 20,001 - 30,000   | 23                   | 3.02          | 604430           | 0.55                    |
| 30,001 - 40,000   | 18                   | 2.36          | 660280           | 0.60                    |
| 40,001 - 50,000   | 11                   | 1.44          | 527850           | 0.48                    |
| 50,001 - 1,00,000 | 24                   | 3.15          | 1915240          | 1.75                    |
| 1,00,001 & above  | 69                   | 9.06          | 103225470        | 94.44                   |
| <b>TOTAL</b>      | <b>762</b>           | <b>100.00</b> | <b>109300000</b> | <b>100.00</b>           |



**Dematerialization of Shares:**

As on 31st March, 2016, 1,04,13,698 shares were held in dematerialized form.

ISIN for Sowbhagya Media Limited is INE826D01014.

**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, DIN-00016309, Compliance Officer,  
M/s Sowbhagya Media Limited,  
Plot No.854E, Road No. 44A, Jubilee Hills, Hyderabad – 500033

**Disclosures**

- (i) During the Financial year 2015-16, the Company had no materially significant related party transactions, which may have potential conflict with the interest of company at large.
- (ii) There has neither been any non-compliance 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.
- (iii) General Shareholders Information:
- (iv) Disclosures regarding re-appointment of Directors

**Secretarial Audit:**

Each of the quarter in the financial year 2015-16, 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 e-mail 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

**CORPORATE IDENTIFICATION NUMBER**

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

**Websites where results are displayed:** [www.sowbhagya.in](http://www.sowbhagya.in).



**CODE OF CONDUCT:**

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the Company has framed and adopted a Code of Conduct and Ethics ('the Code'). The Code is applicable to the members of the Board, the executive officers and all employees of the Company and its subsidiaries. All members of the Board, the executive officers and senior financial officers have affirmed compliance to the Code as on March 31, 2016. A declaration to this effect, signed by the MD and CFO, forms part of the MD and CFO certification.

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

The Board of Directors has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company. All the Board members and Senior Management Personnel have confirmed compliance with the code for the year under review. A declaration signed by the Managing Director pursuant to Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR  
MANAGERIAL PERSONNEL WITH THE CODE OF CONDUCT AND ETHICS**

The Board of Directors of the Company approved the Code of Conduct for the Directors and the Senior Management Personnel.

All the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2016.

Sd/-

**K. Ramakrishna Prasad**

Managing Director

DIN- 00016309

Hyderabad, 06th September, 2016

**CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)**

[Pursuant to Regulation 17(8) and Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Kondapalli Ramarkishna Prasad, Managing Director and Pakeeriah Pasupuleti, Chief Financial Officer of M/s. Sowbhagya Media Limited, to the best of our knowledge and belief, herewith certify that:

A. We have reviewed the Balance Sheet and Profit & Loss Account of the Company for the quarter and financial year ended 31<sup>st</sup> March, 2016 and all its schedules and notes on accounts as well as the Cash Flow statements and certify that:



i) these statements do not contain any materially untrue statement or omit to state a material fact or contains statement 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 no transactions entered into by the Company during the year is fraudulent, illegal or volatile of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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:

i. There have been no significant changes in the internal controls over financial reporting during the financial year 2015-16.

ii. There were no significant changes in accounting policies during the year.

iii. There was no instance of significant fraud, which we have become aware of and that involves management or other employees who have significant role in the Company's internal control systems over financial reporting.

For and on behalf of the Board of Directors

**Sowbhagya Media Limited**

Sd/-

**K. Ramakrishna Prasad,  
Managing Director**

DIN-00016309

Sd/-

**Pakeeriah Pasupuleti,  
Chief Financial Officer**

**Hyderabad, Date: 25<sup>th</sup> May, 2016.**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
Sowbhagya Media Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Sowbhagya Limited for the year ended 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchange for the period, 01st April, 2015 to 30th November, 2015 and as per Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 for the period 01st December, 2015 to 31st March, 2016.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 applicable as aforesaid herein above.

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.

Sd/-  
**G Raja Venkat**  
**For M/s. Ganeshvenkat & Co.,**  
Chartered Accountants,  
F.No 402, Ramkishen Residency,  
6-3-609/150, Anand Nagar,  
Khairatabad, Hyderabad-500004.





**To**

The Members

**Sowbhagya Media Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

G S L N GUPTA

Company Secretary Practice

ACS: 25283 CP: 11271

Hyderabad, 25th May, 2016



**ANNEXURE 'C'**  
TO THE DIRECTORS' REPORT

**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31st March 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**To the Members of**  
**Sowbhagya Media Limited**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. **Sowbhagya Media Limited** (CIN: L51109AP1994PLC018800) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, during the audit period covering the financial year ended on 31st March, 2016 ('Audit Period'), the Company has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations & Bye-laws framed thereunder;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) Other laws applicable to the Company as per the representation made by the Management of the Company:
  - (i) Up linking /down linking policy/guidelines issued by Ministry of Information and Broadcasting;
  - (ii) Intellectual Property Rights related laws;



We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings are in force as on the date of this report and the Company is complying the same.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered into by the Company with BSE Limited.

VI. During the period under review and subject to the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines as mentioned above subject to the following observations:-

- a. The Company has not registered under A.P. Tax on Professions, Trades, Callings and Employments Act, 1987 for professional tax of company and applicable provisions to be complied.
- b. The Company has not registered under Shops & Establishments Act and applicable provisions to be complied.
- c. The company has to recruit full time Company Secretary as per the provisions of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as per the LODR regulations, 2015 and as on date of signing of this report there is no full time company secretary in the Company.
- d. Without qualifying my opinion, regarding legal cases against company and its managing director the following note to be referred.

**Note:** There are existing cases filed against the company and its Managing Director by Central Bureau of Investigation (CBI) and Directorate of enforcement under the prevention of money laundering Act, 2002 and few properties of the company under provisional attachment with Enforcement Directorate.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice was given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management and recorded in minutes, were taken unanimously.

I further report that as represented by the Company and relied upon by us there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Sd/-

G S L N GUPTA

Company Secretary Practice

ACS: 25283 CP: 11271

Hyderabad, 25th May, 2016



**Annexure-D**

TO THE DIRECTORS REPORT

**Form No. MGT-9**

Extracts of Annual Return as on the financial year ended on 31/03/2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1)  
of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

| i)                               | CIN:  | L51109AP1994PLC018800  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|----------------------------------|---|--|----|---------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|--------------------------|----------------------------------|--------------------------|---------|--------------------------|----------------------|--------------------------|----------------------|-------------------------------------|----------------------|--------------------------|---------------------------------|--------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
|                                  | Foreign Company Registration Number/GLN                                       | NA   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | Registration Date [DDMMYY]  | 23/11/1994   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| ii)                              | <b>Category of the Company</b><br>[Pl. tick]                                  | 1. Public Company <input checked="" type="checkbox"/><br>2. Private Company  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| iii)                             | <b>Sub Category of the Company</b><br>[ Please tick whichever are applicable] | <table border="1"> <tr><td>1. Government Company</td><td><input type="checkbox"/></td></tr> <tr><td>2. Small Company</td><td><input type="checkbox"/></td></tr> <tr><td>3. One Person Company</td><td><input type="checkbox"/></td></tr> <tr><td>4. Subsidiary of Foreign Company</td><td><input type="checkbox"/></td></tr> <tr><td>5. NBFC</td><td><input type="checkbox"/></td></tr> <tr><td>6. Guarantee Company</td><td><input type="checkbox"/></td></tr> <tr><td>7. Limited by shares</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>8. Unlimited Company</td><td><input type="checkbox"/></td></tr> <tr><td>9. Company having share capital</td><td><input type="checkbox"/></td></tr> <tr><td>10. Company not having share</td><td><input type="checkbox"/></td></tr> <tr><td>11. Company Registered under</td><td><input type="checkbox"/></td></tr> </table> |    |                     | 1. Government Company | <input type="checkbox"/> | 2. Small Company      | <input type="checkbox"/> | 3. One Person Company | <input type="checkbox"/> | 4. Subsidiary of Foreign Company | <input type="checkbox"/> | 5. NBFC | <input type="checkbox"/> | 6. Guarantee Company | <input type="checkbox"/> | 7. Limited by shares | <input checked="" type="checkbox"/> | 8. Unlimited Company | <input type="checkbox"/> | 9. Company having share capital | <input type="checkbox"/> | 10. Company not having share | <input type="checkbox"/> | 11. Company Registered under | <input type="checkbox"/> |
| 1. Government Company            | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 2. Small Company                 | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 3. One Person Company            | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 4. Subsidiary of Foreign Company | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 5. NBFC                          | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 6. Guarantee Company             | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 7. Limited by shares             | <input checked="" type="checkbox"/>   |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 8. Unlimited Company             | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 9. Company having share capital  | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 10. Company not having share     | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 11. Company Registered under     | <input type="checkbox"/>  |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| iv)                              | Whether shares listed on recognized Stock Exchange(s)                         |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | If yes, details of stock exchanges where shares are listed                    | <table border="1"> <thead> <tr> <th>SN</th> <th>Stock Exchange Name</th> <th>Code</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Bombay Stock Exchange</td> <td>INE826D01014</td> </tr> </tbody> </table>   | SN | Stock Exchange Name | Code                  | 1                        | Bombay Stock Exchange | INE826D01014             |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| SN                               | Stock Exchange Name   | Code   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| 1                                | Bombay Stock Exchange   | INE826D01014   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
| V)                               | <b>NAME AND REGISTERED OFFICE ADDRESS OF COMPANY:</b>                         |  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | Company Name  | <b>SOWBHAGYA MEDIA LIMITED</b>   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | Address   | S Square, Plot No. 854 E, Road No.44A, Jubilee Hills   |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | Town / City   | Hyderabad  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |
|                                  | State   | Telangana  |    |                     |                       |                          |                       |                          |                       |                          |                                  |                          |         |                          |                      |                          |                      |                                     |                      |                          |                                 |                          |                              |                          |                              |                          |



|     |   |   |
|-----|---|---|
|     | Pin Code:   | 500033  |
|     | Country Name :  | India   |
|     | Country Code  | +91   |
|     | Telephone (With STD Area Code Number)   | 040-23422222  |
|     | Fax Number :  | 04023745566   |
|     | Email Address   | krk@sowbhagya.in  |
|     | Website   | www.sowbhagya.in  |
|     | Name of the Police Station having jurisdiction where the registered office is situated                | Jubilee Hills Police Station<br>Near to Jubilee Hills Club and Bank of Baroda, Road No-18, Jubilee Hills, Hyderabad |
|     | Address for correspondence, if different from address of registered office:                           | NA  |
| Vi) | Name and Address of Registrar & Transfer Agents (RTA):- Full address and contact details to be given: |   |
|     | Registrar & Transfer Agents ( RTA ):-   | XL Softech Systems Limited  |
|     | Address   | 3, Sagar Society Road No-2, Banjara Hills   |
|     | Town / City   | Hyderabad   |
|     | State   | Telangana   |
|     | Pin Code:   | 500033  |
|     | Telephone (With STD Area Code Number)   | 040-23545913  |
|     | Fax Number :  | 040-23553214  |
|     | Email Address:  | xlfield@gmail.com   |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| SN | Name and Description of main products / services   | NIC Code of the Product/service | % to total turnover of the company |
|----|--|---------------------------------|------------------------------------|
| 1  | Production of television serial content in regional language and also production and distribution of movie in regional language. | 3093                            | 95%                                |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| S. NO | NAME AND ADDRESS OF THE COMPANY | CIN/GLN                       | HOLDING/ SUBSIDIARY / ASSOCIATE |
|-------|---------------------------------|-------------------------------|---------------------------------|
| 1     | Siri Media Private Limited      | CIN:<br>U22100TG1996PTC024255 | Holding Company                 |



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding:

| Category of Shareholders                  | No. of Shares held at the beginning of the year[As on 1 <sup>st</sup> April 2015] |          |         |                   | No. of Shares held at the end of the year[As on 31-March-2016] |          |         |                   | % Change during the year |
|---|---|----------|---------|-------------------|--|----------|---------|-------------------|--------------------------|
|   | De-mat  | Physical | Total   | % of Total Shares | De-mat   | Physical | Total   | % of Total Shares |                          |
| <b>A. Promoters</b>                       |   |          |         |                   |  |          |         |                   |                          |
| (1) Indian                                |   |          |         |                   |  |          |         |                   |                          |
| a) Individual / HUF                       | --  | --       | --      | --                | --   | --       | --      | --                | --                       |
| b) Central Govt                           | --  | --       | --      | --                | --   | --       | --      | --                | --                       |
| c) State Govt(s)                          | --  | --       | --      | --                | --   | --       | --      | --                | --                       |
| d) Bodies Corp.                           | 6519400   |          | 6519400 | 59.65             | 6519400  |          | 6519400 | 59.65             | Nil                      |
| e) Banks / FI                             | --  | --       | --      | --                | --   | --       | --      | --                | --                       |
| f) Any other                              | --  | --       | --      | --                | --   | --       | --      | --                | --                       |
| <b>Total shareholding of Promoter (A)</b> | 6519400   |          | 6519400 | 59.65             | 6519400  |          | 6519400 | 59.65             |                          |
| <b>B. Public Shareholding</b>             |   |          |         |                   |  |          |         |                   |                          |



|                                  |        |    |        |      |        |     |        |      |    |
|----------------------------------|--------|----|--------|------|--------|-----|--------|------|----|
| 1. Institutions                  | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| a) Mutual Funds                  | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| b) Banks / FI                    | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| c) Central Govt                  | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| d) State Govt(s)                 | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| e) Venture Capital Funds         | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| f) Insurance Companies           | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| g) FIs                           | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| h) Foreign Venture Capital Funds | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| i) Others (specify)              | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| <b>Sub-total (B)(1):-</b>        | --     | -- | --     | --   | --     | --  | --     | --   | -- |
|                                  | --     | -- | --     | --   | --     | --  | --     | --   | -- |
| 2. Non-Institutions              |        |    |        |      |        |     |        |      |    |
| a) Bodies Corp.                  |        |    |        |      |        |     |        |      |    |
| i) Indian                        | 410563 | -- | 410563 | 3.76 | 565791 | 500 | 566291 | 5.18 |    |
| ii)                              | --     | -- | --     | --   | --     | --  | --     | --   | -- |



|   |         |        |         |       |         |        |         |       |  |
|---|---------|--------|---------|-------|---------|--------|---------|-------|--|
| Overseas  |         |        |         |       |         |        |         |       |  |
| b) Individuals  |         |        |         |       |         |        |         |       |  |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh ( for current year it is Rs. 2 lakhs)          | 494000  | 133002 | 627002  | 5.74  | 701936  | 140002 | 841938  | 7.70  |  |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh ( for current year it is Rs. 2 lakhs) | 2814643 | 550800 | 3365443 | 30.79 | 2562679 | 375800 | 2938479 | 26.88 |  |
| c) Others (specify)   | --      | --     | --      | --    | --      | --     | --      | --    |  |
| Non Resident Indians (NRI)  | 7434    | -      | 7434    | 0.07  | 2904    | --     | 2904    | 0.03  |  |





|  |          |        |          |       |          |        |          |       |    |
|--|----------|--------|----------|-------|----------|--------|----------|-------|----|
| Overseas Corporate Bodies                              | --       | --     | --       | --    | --       | --     | --       | --    |    |
| Foreign Nationals                                      | --       | --     | --       | --    | --       | --     | --       | --    |    |
| Clearing Members                                       | 158      | --     | 158      | 0.00  | 60988    | --     | 60988    | 0.56  |    |
| Trusts   |          |        |          |       |          |        |          |       |    |
| Foreign Bodies - D R                                   | --       | --     | --       | --    | --       | --     | --       | --    | -- |
| <b>Sub-total (B)(2):-</b>                              | 3726798  | 683802 | 4410600  | 40.35 | 3894298  | 516302 | 4410600  | 40.35 |    |
| Total Public Shareholding (B)=(B)(1) + (B)(2)          |          |        |          |       |          |        |          |       |    |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b> | --       | --     | --       | --    | --       | --     | --       | --    |    |
| <b>Grand Total (A+B+C)</b>                             | 10246198 | 683802 | 10930000 | 100   | 10413698 | 516302 | 10930000 | 100   |    |

ii) Shareholding of Promoter:

| S<br>N | Shareholder's Name | Shareholding at the beginning of the year |                                  |   | Share holding at the end of the year |                                  |   | % change in share holding during the year |
|--------|--------------------|---|----------------------------------|---|--------------------------------------|----------------------------------|---|---|
|        |                    | No. of Shares                             | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares                        | % of total Shares of the company | %of Shares Pledged / encumbered to total shares |   |
|        |                    |   |                                  |   |                                      |                                  |   |   |



|   |                            |         |       |    |         |       |    |   |
|---|----------------------------|---------|-------|----|---------|-------|----|---|
| 1 | Siri Media Private Limited | 6519400 | 59.65 | -- | 6519400 | 59.65 | -- | - |
|---|----------------------------|---------|-------|----|---------|-------|----|---|

(iii) Change in Promoters Shareholding (please specify, if there is no change)- No Change

**V) Shareholding Pattern of top ten Shareholders:**

(other than Directors, Promoters and Holders of GDRs and ADRs):

| SN | Name of shareholders                   | Shareholding at the beginning of the year |                                  | Shareholding at the end of year |                                  |
|----|--|---|----------------------------------|---------------------------------|----------------------------------|
|    |  | No. of shares                             | % of total shares of the company | No. of shares                   | % of total shares of the company |
| 1. | Vadde Ramesh                           | 410000                                    | 3.75                             | 410000                          | 3.75                             |
| 2. | Venkateswara Rao Chintalapati          | 319600                                    | 2.92                             | 319600                          | 2.92                             |
| 3. | Karvy Stock Broking Limited            | --  | --                               | 219789                          | 2.011                            |
| 4. | Mutyala V L Ramanujamma                | 163682                                    | 1.49                             | 163682                          | 1.49                             |
| 5. | Doddi Suresh                           | 159800                                    | 1.46                             | 159800                          | 1.46                             |
| 6. | Nayeneni Rajesh Kumar                  | 144469                                    | 1.32                             | 144469                          | 1.32                             |
| 7. | Chandrasekhar Raju Koneti              | 115555                                    | 1.05                             | 115555                          | 1.05                             |
| 8. | Saaketa finstock Private Limited       | --  | --                               | 103865                          | 0.95                             |
| 9. | Vemparala Sri Pushpa                   | --  | --                               | 92593                           | 0.847                            |
| 10 | Heights Infra Projects Private Limited | 84500                                     | 0.77                             | 84500                           | 0.77                             |

**VI) Shareholding of Directors and Key Managerial Personnel:**

- Directors and KMP's does not have any shares in the company



VII) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment:

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> | -                                | -               | -        | -                  |
| i) Principal Amount  | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |
| <b>Change in Indebtedness during the financial year</b>    | -                                | -               | -        | -                  |
| * Addition   | -                                | -               | -        | -                  |
| * Reduction  | -                                | -               | -        | -                  |
| <b>Net Change</b>  | -                                | -               | -        | -                  |
| <b>Indebtedness at the end of the financial year</b>       | -                                | -               | -        | -                  |
| i) Principal Amount  | -                                | -               | -        | -                  |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | -                                | -               | -        | -                  |
| <b>Total (i+ii+iii)</b>                                    | -                                | -               | -        | -                  |

**VIII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager |      |      | Total Amount |
|-----|---|-------------------------|------|------|--------------|
|     | <b>Ramakrishna Prasad Kondapalli</b>  |                         | ---- | ---- | ---          |
| 1   | Gross salary  | 1200000                 |      |      | 1200000      |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                       | -    | -    | -            |



|   |  |         |   |   |   |         |
|---|--|---------|---|---|---|---------|
|   | (b) Value of perquisites u/s 17(2)<br>Income-tax Act, 1961                 | -       | - | - | - | -       |
|   | (c) Profits in lieu of salary under<br>section 17(3) Income- tax Act, 1961 | -       | - | - | - | -       |
| 2 | Stock Option   | -       | - | - | - | -       |
| 3 | Sweat Equity   | -       | - | - | - | -       |
| 4 | Commission<br>- as % of profit<br>- others, specify...                     | -       | - | - | - | -       |
| 5 | Others, please specify   | -       | - | - | - | -       |
|   | Total (A)  | 1200000 |   |   |   | 1200000 |
|   | Ceiling as per the Act   | -       | - | - | - | -       |

B. REMUNERATION TO OTHER DIRECTORS: Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: Nil

IX. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: Nil

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

**Sd/-  
K. Ramakrishna Prasad  
Managing Director  
DIN-00016309**

**Place: Hyderabad  
Date: 25<sup>th</sup> May, 2016**



To  
The Members of M/s. Sowbhagya Media Limited

**Report on the Financial Statements:**

1. We have audited the accompanying financial statements of Sowbhagya Media Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the 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:**

2. The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility:**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



## **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2016, its profit and cash flows for the year ended on that date.

## **Emphasis of Matter**

8. We draw attention to Note No 2.26 regarding legal cases against company and its managing director as detailed in the said note.

Our opinion is not modified in respect of above matters.

## **Report on Other Legal and Regulatory Requirements**

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters Specified in paragraphs 3 and 4 of the Order.

10. As required by section 143(3) of the Act, we report that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- e) on the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014;
  - i. The Company has pending litigations, the impact of which on financial position is disclosed in note to accounts 2.26;



- ii. The Company does not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

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

Place: Hyderabad.  
Date: 25<sup>th</sup> May, 2016.



**Annexure A referred to in paragraph 10(f) of Our Report of even date to the members of Sowbhagya Media Limited on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).**

1. We have audited the internal financial controls over financial reporting of **M/S. Sowbhagya Media Limited** (“the Company”) as of 31<sup>st</sup> March 2016, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

2. The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A





company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

**G. Rajavenkat**  
Partner

Membership No.025014

Place: Hyderabad.  
Date: 25<sup>th</sup> May, 2016.



**Annexure B referred to in paragraph 9 of 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, 2016.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of the Order is not applicable to the company.
- iii. The company has granted unsecured advance/loan to one parties listed in the register maintained under section 189 of the Companies Act, 2013, since the loan is interest free and repayable on demand reporting under clause (iii) (b), (c) of the order is not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, there are no delays in deposit/ remittances of amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales-tax, wealth-tax, custom duty, excise duty, service-tax, cess and other material statutory dues during the year by the Company with the appropriate authorities;
- (b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
- viii. The Company does not have any borrowings from financial institution, bank or debenture holders during the year.



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **M/s. GaneshVenkat & Co.,**  
Chartered Accountants  
Firm Regd.No.005293S

Sd/-

**G. Rajavenkat**  
Partner

Membership No. 025014

Place: Hyderabad.  
Date: 25<sup>th</sup> May, 2016.



| <b>M/s Sowbhagya Media Limited</b>                                       |                                |                                       |                      |
|--|--------------------------------|---------------------------------------|----------------------|
| (CIN No. L51109AP1994PLC018800)  |                                |                                       |                      |
| Balance Sheet as at 31st March, 2016                                     |                                |                                       |                      |
| (Amount in Rs.)  |                                |                                       |                      |
| Particulars  | Note No                        | As at 31 March, 2016                  | As at 31 March, 2015 |
| <b>EQUITY AND LIABILITIES</b>  |                                |                                       |                      |
| <b>Shareholder's Funds</b>   |                                |                                       |                      |
| Share Capital  | 2.1                            | 10,93,00,000                          | 10,93,00,000         |
| Reserves and Surplus   | 2.2                            | (4,80,678)                            | (34,94,294)          |
|  |                                | <b>10,88,19,322</b>                   | <b>10,58,05,706</b>  |
| <b>Non-Current Liabilities</b>   |                                |                                       |                      |
| Long-term borrowings   | 2.3                            | -                                     | -                    |
| Deferred tax liabilities (Net)   | 2.4                            | (3,27,711)                            | 4,75,865             |
|  |                                | <b>(3,27,711)</b>                     | <b>4,75,865</b>      |
| <b>Current Liabilities</b>   |                                |                                       |                      |
| Trade Payables   | 2.5                            | 23,58,028                             | 19,81,324            |
| Other Current Liabilities  | 2.6                            | 7,75,430                              | 6,13,679             |
| Short-term Provisions  | 2.7                            | -                                     | -                    |
|  |                                | <b>31,33,458</b>                      | <b>25,95,003</b>     |
| <b>Total</b>   |                                | <b>11,16,25,069</b>                   | <b>10,88,76,574</b>  |
| <b>ASSETS</b>  |                                |                                       |                      |
| <b>Non-Current Assets</b>  |                                |                                       |                      |
| <b>Fixed assets</b>  |                                |                                       |                      |
| (i) Tangible assets  | 2.8                            | 61,02,238                             | 89,95,516            |
| (ii) In-tangible assets  | 2.9                            | 2,313                                 | 8,803                |
| (iii) Capital Work-in-Progress   | 2.9                            | 98,812                                | -                    |
| Long term loans and advances   | 2.10                           | 6,28,00,501                           | 6,71,44,471          |
|  |                                | <b>6,90,03,864</b>                    | <b>7,61,48,790</b>   |
| <b>Current assets</b>  |                                |                                       |                      |
| Trade receivables  | 2.11                           | 1,29,17,019                           | 1,34,35,627          |
| Cash and cash equivalents  | 2.12                           | 1,37,88,136                           | 94,57,258            |
| Short-term loans and advances  | 2.13                           | 88,87,485                             | 28,79,020            |
| Other current assets   | 2.14                           | 70,28,565                             | 69,55,879            |
|  |                                | <b>4,26,21,205</b>                    | <b>3,27,27,784</b>   |
| <b>Total</b>   |                                | <b>11,16,25,069</b>                   | <b>10,88,76,574</b>  |
| <b>Significant Accounting Policies and Notes on Financial Statements</b> | 1&2                            |                                       |                      |
| <b>As per our report of even date attached</b>                           |                                | <b>For and on behalf of the Board</b> |                      |
| <b>For GANESH VENKAT &amp; Co.,</b>                                      |                                |                                       |                      |
| <b>Chartered Accountants</b>   |                                |                                       |                      |
| <b>Sd-</b>   | <b>Sd-</b>                     | <b>Sd-</b>                            |                      |
| <b>G. Rajavenkat</b>   | <b>K. Ramakrishna Prasad</b>   | <b>M.Madhusudana Rao</b>              |                      |
| <b>Partner</b>   | <b>Managing Director</b>       | <b>Director</b>                       |                      |
| <b>Membership No. 025014</b>   | <b>(DIN No. 00016309)</b>      | <b>(DIN No. 01638593)</b>             |                      |
|  | <b>Sd-</b>                     |                                       |                      |
|  | <b>P. Pakeeria h</b>           |                                       |                      |
| <b>Hyderabad, May 25, 2016</b>   | <b>Chief Financial Officer</b> |                                       |                      |



| <b>M/s Sowbhagya Media Limited</b>  |          |   |                                     |
|---|----------|---|-------------------------------------|
| (CIN No. L51109AP1994PLC018800)   |          |   |                                     |
| Statement of Profit & Loss for the year ended 31st March, 2016  |          |   |                                     |
|   |          |   | (Amount Rs.)                        |
| Particulars   | Note No. | for the year ended 31st March, 2016   | for the year ended 31st March, 2015 |
| <b>CONTINUING OPERATIONS</b>  |          |   |                                     |
| Revenue from operations   | 2.15     | 5,44,49,000   | 2,59,02,500                         |
| Other income  | 2.16     | 14,60,115   | 12,78,927                           |
| <b>Total Revenue</b>  |          | <b>5,59,09,115</b>  | <b>2,71,81,427</b>                  |
| <b>Expenses</b>   |          |   |                                     |
| Expenditure on media operations   | 2.17     | 4,24,29,742   | 1,88,18,673                         |
| Employee benefits expense   | 2.18     | 22,43,303   | 23,54,183                           |
| Finance costs   | 2.19     | 9,489   | 44,953                              |
| Depreciation and amortisation expense   | 2.8&2.9  | 29,10,968   | 30,94,509                           |
| Other expenses  | 2.20     | 70,56,357   | 57,73,372                           |
| <b>Total expenses</b>   |          | <b>5,46,49,859</b>  | <b>3,00,85,690</b>                  |
| <b>Profit / (Loss) before exceptional and extraordinary items and tax</b>   |          | 12,59,256   | (29,04,263)                         |
| Exceptional items   |          | -   | -                                   |
| <b>Profit/ (Loss) before extraordinary items and tax</b>  |          | 12,59,256   | (29,04,263)                         |
| Extraordinary items   |          | (9,50,784)  | -                                   |
| <b>Profit/ (Loss) before tax</b>  |          | 22,10,040   | (29,04,263)                         |
| <b>Tax expense:</b>   |          |   |                                     |
| Prior year taxation   |          | -   | 1,93,522                            |
| Current tax   |          | -   | -                                   |
| Minimum alternate tax expenses / (Credit)   |          | -   | -                                   |
| Deferred tax  |          | (8,03,576)  | (1,20,838)                          |
| <b>Total Tax expense</b>  |          | <b>(8,03,576)</b>   | <b>72,684</b>                       |
| <b>Profit/ (Loss) from continuing operations</b>  |          | 30,13,616   | (29,76,947)                         |
| <b>Earnings per share (of Rs. 10 /- each):</b>  |          |   |                                     |
| (a) Basic & Diluted   |          |   |                                     |
| (i) Continuing operations   |          | 0.28  | (0.27)                              |
| <b>Significant Accounting Policies and Notes on Financial Statements</b>  | 1&2      |   |                                     |
| As per our report of even date attached<br>For GANESH VENKAT & Co.,<br>Chartered Accountants<br>Sd-<br>G. Rajavenkat<br>Partner<br>Membership No. 025014<br>Hyderabad, May 25, 2016 |          | For and on behalf of the Board<br><br>Sd-<br>K. Ramakrishna Prasad<br>Managing Director<br>(DIN No. 00016309)<br><br>Sd-<br>P.Pakeeriah<br>Chief Financial Officer<br><br>Sd-<br>M.Madhusudan Rao<br>Director<br>(DIN No. 01638593) |                                     |



| <b>M/s Sowbhagya Media Limited</b>                                    |                                       |                           |
|---|---------------------------------------|---------------------------|
| (CIN No. L51109 AP1994PLC018800)                                      |                                       |                           |
| Cash Flow Statement for the Year Ended 31st March, 2016               |                                       |                           |
| (Amount in Rs.)   |                                       |                           |
|   | As at<br>31 March, 2016               | As at<br>31 March, 2015   |
| <b>A. Cash flow from operating activities</b>                         |                                       |                           |
| Net profit / (Loss) before taxation                                   | 22,10,040                             | -29,04,263                |
| <b>Adjustments for:</b>   |                                       |                           |
| Depreciation  | 29,10,968                             | 30,94,509                 |
| Bad debts written off   |                                       |                           |
| Loss on Sale of Fixed Assets  | -                                     | 3,22,512                  |
| Interest & Financial Charges  | 9,489                                 | 44,953                    |
| Interest income   | (14,60,115)                           | (10,28,927)               |
| <b>Operating profit before working capital changes</b>                | <b>36,70,382</b>                      | <b>-4,71,216</b>          |
| <b>Adjustments for changes</b>  |                                       |                           |
| Increase/(Decrease) in Trade receivable                               | 5,18,608                              | 1,24,76,644               |
| Increase/(Decrease) in Short term loans & Advances                    | (60,08,465)                           | 4,00,12,154               |
| Increase/ (Decrease) in Other Current Assets                          | 7,58,260                              | (37,58,260)               |
| (Increase)/ Decrease in Long Term Loans & Advances                    | 43,43,970                             | (4,85,80,471)             |
| (Increase)/ Decrease in Trade Payable                                 | 3,76,704                              | (3,58,549)                |
| (Increase)/ Decrease in Other Current Liabilities                     | 1,61,751                              | (61,737)                  |
| <b>Cash (used) / generated from operations</b>                        | <b>38,21,210</b>                      | <b>(7,41,435)</b>         |
| Taxes paid  | -                                     | (27,14,385)               |
| <b>Net cash flow operating activities</b>                             | <b>38,21,210</b>                      | <b>(34,55,820)</b>        |
| <b>B. Cash flows from investing activities</b>                        |                                       |                           |
| Proceeds from Sale of Fixed Assets                                    | -                                     | 1,10,000                  |
| Interest income   | 6,29,169                              | 7,81,837                  |
| Purchase of Fixed Assets and other capital Expenditure                | (1,10,012)                            | (62,000)                  |
| <b>Net cash used in investing activities</b>                          | <b>5,19,157</b>                       | <b>8,29,837</b>           |
| <b>C. Cash flow from financing activities</b>                         |                                       |                           |
| <b>Proceeds from Long Term Borrowings:</b>                            |                                       |                           |
| Vehicle Loans (Repaid)  | -                                     | -                         |
| Interest Paid   | (9,489)                               | (44,953)                  |
| <b>Net cash used in financing activities</b>                          | <b>(9,489)</b>                        | <b>(44,953)</b>           |
| <b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b> | <b>43,30,878</b>                      | <b>(26,70,936)</b>        |
| Cash and cash equivalents at the beginning of the year                | 94,57,258                             | 1,21,28,194               |
| Cash and cash equivalents at the end of the year                      | <b>1,37,88,136</b>                    | <b>94,57,258</b>          |
| <b>As per our report of even date attached</b>                        | <b>For and on behalf of the Board</b> |                           |
| <b>For GANESH VENKAT &amp; Co.,</b>                                   |                                       |                           |
| <b>Chartered Accountants</b>  |                                       |                           |
| <b>Sd-</b>  | <b>Sd-</b>                            | <b>Sd-</b>                |
| <b>G. Rajavenkat</b>  | <b>K. Ramakrishna Prasad</b>          | <b>M. Madhusudan Rao</b>  |
| <b>Partner</b>  | <b>Managing Director</b>              | <b>Director</b>           |
| <b>Membership No. 025014</b>  | <b>(DIN No. 00016309)</b>             | <b>(DIN No. 01638593)</b> |
|   | <b>Sd-</b>                            |                           |
|   | <b>P. Pakeeriah</b>                   |                           |
|   | <b>Chief Financial Officer</b>        |                           |
| <b>Hyderabad, May 25, 2016</b>  |                                       |                           |



## SIGNIFICANT ACCOUNTING POLICES AND NOTES ON FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. Basis of preparation of financial statements

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India under historical cost convention on the accrual basis. GAAP comprises accounting standards as prescribed under section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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 over the useful life of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013.

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 recognized 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.

**A. 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.

**Note No. 2.1 Share capital**

(in Rupees)

| Particulars  | As at 31 March, 2016 |                     | As at 31 March, 2015 |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | No. of shares        | Amount              | No. of shares        | Amount              |
| <b>(a) Authorised</b><br>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>(b) Issued</b><br>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        |
| <b>(c) Subscribed and fully paid up - (Refer Notes (i) to (iii))</b><br>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        |
| <b>Total</b>   | <b>1,09,30,000</b>   | <b>10,93,00,000</b> | <b>1,09,30,000</b>   | <b>10,93,00,000</b> |

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, 2015 | Additions | As at at 31 March, 2016 |
|--|-------------------------|-----------|-------------------------|
| <b>Equity shares with voting rights:</b> |                         |           |                         |
| - 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, 2016     |                    | As at 31 March, 2015     |                    |
|---|--------------------------|--------------------|--------------------------|--------------------|
|   | No of Equity Shares held | % of Share holding | No of Equity Shares held | % of Share holding |
| <b>Equity shares with voting rights</b> |                          |                    |                          |                    |
| Śri 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**

(Amount in Rs.)

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>(a) Securities Premium Account</b>                             |                           |                           |
| Opening balance   | -                         | -                         |
| Add : Securities premium credited on Share issue                  | -                         | -                         |
| Less : Utilised during the year for Issue of bonus shares         | -                         | -                         |
| <b>Closing balance sub total (a)</b>                              | <b>-</b>                  | <b>-</b>                  |
| <b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>    |                           |                           |
| Opening balance   | (34,94,294)               | (5,17,347)                |
| Add: Net Profit / (Loss) for the current Year                     | 30,13,616                 | (29,76,947)               |
| Less: Dividends proposed to be distributed to equity Shareholders | -                         | -                         |
| Tax on dividend   | -                         | -                         |
| Utilised during the year for issue of Bonus Shares                | -                         | -                         |
| <b>Closing balance sub total (b)</b>                              | <b>(4,80,678)</b>         | <b>(34,94,294)</b>        |
| <b>Total (a to b)</b>   | <b>(4,80,678)</b>         | <b>(34,94,294)</b>        |

**Note No. 2.3 Long-term borrowings**

(Amount in Rs.)

| Particulars            | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|------------------------|---------------------------|---------------------------|
| <b>Secured</b>         |                           |                           |
| <b>Term loans From</b> |                           |                           |
| - Banks                | -                         | -                         |
| - Others               | -                         | -                         |
| <b>Total</b>           | <b>-</b>                  | <b>-</b>                  |

**Note No. 2.4. Deferred Tax Liability (Net)**

(Amount in Rs.)

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>a) Deferred tax liability comprises of following:</b>                       |                           |                           |
| Fixed assets-(Depreciation)  | (5,41,845)                | (1,06,227)                |
| <b>Total (a)</b>   | <b>(5,41,845)</b>         | <b>(1,06,227)</b>         |
| <b>b) Deferred tax Assets comprises of following:</b>                          |                           |                           |
| Disallowances as per Section 43B and Section 40(a) of the Income Tax Act, 1961 | -                         | -                         |
| Business loss  | (13,07,258)               | (5,82,092)                |
| Unabsorbed depreciation  | 10,93,123                 | -                         |
| Others   | -                         | -                         |
| <b>Total (b)</b>   | <b>(2,14,134)</b>         | <b>(5,82,092)</b>         |
| <b>Total Net (a-b)</b>   | <b>(3,27,711)</b>         | <b>4,75,865</b>           |

**Note 2.5. Trade payables**

(Amount in Rs.)

| Particulars                       | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|-----------------------------------|---------------------------|---------------------------|
| <b>Trade payables:</b>            |                           |                           |
| Micro, Small & Medium enterprises | -                         | -                         |
| Related Parties                   | -                         | -                         |
| Others Suppliers/ contractors     | 23,58,028                 | 19,81,324                 |
| <b>Total</b>                      | <b>23,58,028</b>          | <b>19,81,324</b>          |

**Note No. 2.6. Other current liabilities**

(Amount in Rs.)

| Particulars                               | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| (a) Current maturities of long term debts | -                         | -                         |
| (b) Unpaid dividends (Refer Note No. i )  | 72,176                    | 72,176                    |
| (c) Other Liabilities                     | 2,66,860                  | 4,75,081                  |
| (d) Statutory remittances                 |                           |                           |
| - TDS                                     | 3,88,874                  | 66,422                    |
| - Service Tax                             | 35,700                    | -                         |
| - Swachh Bharat Cess                      | 11,820                    | -                         |
| <b>Total</b>                              | <b>7,75,430</b>           | <b>6,13,679</b>           |

(i) Section 125 (1) of the Companies Act, 2013 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**

(Amount in Rs.)

| Particulars                                   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>Provision for Taxes</b>                    |                           |                           |
| (i) Provision for tax (net of advance tax)    | -                         | -                         |
| (ii) Provision for proposed equity dividend   | -                         | -                         |
| (iii) Provision for tax on proposed dividends | -                         | -                         |
| <b>Total</b>                                  | <b>-</b>                  | <b>-</b>                  |



(Amount in Rs.)

**Note 2.8. Fixed Assets**

| Description of the Asset              | Gross Value              |               |                      | Depreciation             |                                  |                  |                      | Closing balance    |                          |                          |
|---------------------------------------|--------------------------|---------------|----------------------|--------------------------|----------------------------------|------------------|----------------------|--------------------|--------------------------|--------------------------|
|                                       | Balance as at 01.04.2015 | Additions     | Sales/ (Adjustments) | Balance as at 31.03.2016 | Opening balance as at 01.04.2015 | For the year     | Sales/ (Adjustments) | Total              | Balance as at 31.03.2016 | Balance as at 31.03.2015 |
| <b>(i) Tangible assets</b>            |                          |               |                      |                          |                                  |                  |                      |                    |                          |                          |
| a Leasehold improvements              | 10,43,463                |               |                      | 10,43,463                | 50,010                           | 33,014           |                      | 83,024             | 9,60,439                 | 9,93,453                 |
| b Plant & Equipments                  | 2,25,000                 | -             |                      | 2,25,000                 | 37,006                           | 14,753           |                      | 51,759             | 1,73,241                 | 1,87,994                 |
| c Furniture & Fixtures                | 7,63,753                 | -             | -                    | 7,63,753                 | 5,00,404                         | 1,42,620         |                      | 6,43,024           | 1,20,729                 | 2,63,349                 |
| d Vehicles (Refer Note No. 2.26)      | 1,49,68,717              | -             |                      | 1,49,68,717              | 97,07,075                        | 24,24,708        |                      | 1,21,31,783        | 28,36,934                | 52,61,642                |
| e Office Equipments                   | 7,35,143                 | 11,200        | -                    | 7,46,343                 | 2,30,847                         | 42,112           |                      | 2,72,959           | 4,73,384                 | 5,04,296                 |
| f Dubbing Equipment                   | 6,89,469                 | -             | -                    | 6,89,469                 | 2,88,343                         | 51,283           |                      | 3,39,626           | 3,49,843                 | 4,01,126                 |
| g Editing Room Equipment              | 22,08,831                | -             |                      | 22,08,831                | 8,85,982                         | 1,64,349         |                      | 10,50,331          | 11,58,500                | 13,22,849                |
| h Computers                           | 3,75,360                 | -             |                      | 3,75,360                 | 3,14,553                         | 31,639           |                      | 3,46,192           | 29,168                   | 60,807                   |
| <b>Total</b>                          | <b>2,10,09,736</b>       | <b>11,200</b> | <b>-</b>             | <b>2,10,20,936</b>       | <b>1,20,14,220</b>               | <b>29,04,478</b> | <b>-</b>             | <b>1,49,18,698</b> | <b>61,02,238</b>         | <b>89,95,516</b>         |
| <b>(ii) Intangible assets</b>         |                          |               |                      |                          |                                  |                  |                      |                    |                          |                          |
| <b>Computer software</b>              | 17,500                   |               |                      | 17,500                   | 8,697                            | 6,490            |                      | 15,187             | 2,313                    | 8,803                    |
| <b>Total</b>                          | <b>17,500</b>            | <b>-</b>      | <b>-</b>             | <b>17,500</b>            | <b>8,697</b>                     | <b>6,490</b>     | <b>-</b>             | <b>15,187</b>      | <b>2,313</b>             | <b>8,803</b>             |
| Note No. 2.9 Capital work-in-progress | -                        | -             | -                    | -                        | -                                | -                | -                    | -                  | 98,812                   |                          |
| <b>Total</b>                          | <b>2,10,27,236</b>       | <b>11,200</b> | <b>-</b>             | <b>2,10,38,436</b>       | <b>1,20,22,917</b>               | <b>29,10,968</b> | <b>-</b>             | <b>1,49,33,885</b> | <b>62,03,363</b>         | <b>90,04,319</b>         |
| <b>Previous Year</b>                  | <b>2,16,38,259</b>       | <b>62,000</b> |                      | <b>2,10,27,236</b>       | <b>91,68,919</b>                 | <b>30,94,509</b> | <b>2,40,511</b>      | <b>1,20,22,917</b> | <b>90,04,319</b>         | <b>1,24,69,340</b>       |



(Amount in Rs.)

**Note No. 2.10 Long-term loans and advances**

| Particulars                                  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>Unsecured, considered good</b>            |                           |                           |
| Capital Advance                              | 2,84,000                  | 2,84,000                  |
| Loans and advances to related parties        | 3,43,75,971               | 3,80,80,471               |
| Loans and advances to Suppliers/ Contractors | 1,03,00,000               | 1,01,00,000               |
| Other loans and advances                     | 1,71,40,530               | 1,75,80,000               |
| Loans and advances to related parties        |                           |                           |
| Advance income tax                           | -                         | 4,00,000                  |
| Rental and Other deposits                    | 7,00,000                  | 7,00,000                  |
| <b>Total</b>                                 | <b>6,28,00,501</b>        | <b>6,71,44,471</b>        |

**Note No. 2.11. Trade receivables**

(Amount in Rs.)

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>Trade receivables - (Unsecured, considered good)</b> |                           |                           |
| Outstanding for a period Exceeding six months           | 1,13,12,187               | 1,14,53,187               |
| Others  | 16,04,832                 | 19,82,440                 |
| <b>Total</b>  | <b>1,29,17,019</b>        | <b>1,34,35,627</b>        |

**Note No. 2.12. Cash and cash equivalents**

(Amount in Rs.)

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| (a) Cash on hand  | 2,56,578                  | 6,03,084                  |
| <b>(b) Balances with banks</b>                                |                           |                           |
| (i) In current accounts                                       | 2,60,452                  | 37,83,068                 |
| (ii) In deposit accounts (Refer Note No. (i) & Note No. 2.26) | 1,32,00,000               | 50,00,000                 |
| (c) Unpaid dividend account (Refer Note No. ii)               | 71,106                    | 71,106                    |
| <b>Total</b>  | <b>1,37,88,136</b>        | <b>94,57,258</b>          |

**Note:**

(i) Balances with banks includes Fixed deposits amounting to Rs. 1,32,00,000/- (Previous Year Rs. 50,00,000).

(ii) Section 125 (1) of the Companies Act, 2013 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**

(Amount in Rs.)

| Particulars                                     | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>Unsecured, considered good</b>               |                           |                           |
| (c) Security deposits                           | 2,000                     | 2,000                     |
| (d) Loans and advances to employees             | -                         | 20,000                    |
| <b>(e) Balances with government authorities</b> |                           |                           |
| TDS Receivable                                  | 81,97,239                 | 26,96,561                 |
| Cenvat Credit Receivable                        | 34,740                    | 94,998                    |
| (f) Prepaid Expenses                            | 53,507                    | 65,461                    |
| (f) Others                                      | 6,00,000                  | -                         |
| <b>Total</b>                                    | <b>88,87,485</b>          | <b>28,79,020</b>          |

**Note No. 2.14 Other current assets**

(Amount in Rs.)

| Particulars           | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|-----------------------|---------------------------|---------------------------|
| Lease Rights of Films | 48,71,000                 | 48,71,000                 |
| Incometax Refund      | -                         | 7,58,260                  |
| Interest receivable   | 21,57,565                 | 13,26,619                 |
| <b>Total</b>          | <b>70,28,565</b>          | <b>69,55,879</b>          |

**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**

(Amount in Rs.)

| Particulars  | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|--|--|--|
| Income from TV. Serial Production/Media and entertainment services | 5,44,49,000                            | 2,59,02,500                            |
| Other Operating revenue  | -                                      | -                                      |
| <b>Total</b>   | <b>5,44,49,000</b>                     | <b>2,59,02,500</b>                     |

**Note 2.16. Other income**

(Amount in Rs.)

| Particulars                | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|----------------------------|--|--|
| Interest income            | 14,60,115                              | 10,28,927                              |
| Other non-operating income | -                                      | 2,50,000                               |
| <b>Total</b>               | <b>14,60,115</b>                       | <b>12,78,927</b>                       |

**Note 2.17. Expenditure on Film Media operations**

(Amount in Rs.)

| Particulars                      | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|----------------------------------|--|--|
| Expenditure on Serial Production | 4,24,29,742                            | 1,88,18,673                            |
| TRP deduction                    | -                                      | -                                      |
| <b>Total</b>                     | <b>4,24,29,742</b>                     | <b>1,88,18,673</b>                     |

**Note 2.18 Employee benefits expense**

(Amount in Rs.)

| Particulars  | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|--|--|--|
| Salaries and wages   |  |  |
| (Salaries and wages includes Managing Director's remuneration) | 22,35,803                              | 23,36,213                              |
| Staff welfare expenses   | 7,500                                  | 17,970                                 |
| <b>Total</b>   | <b>22,43,303</b>                       | <b>23,54,183</b>                       |

**Note 2.19. Finance costs**

(Amount in Rs.)

| Particulars   | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|---|--|--|
| (a) Interest expense on:  |  |  |
| (i) Borrowings  | -                                      | -                                      |
| (ii) Others   |  |  |
| Interest on delayed / deferred payment of income<br>tax/service tax etc., | 6,189                                  | 35,339                                 |
| - Others  | 3,300                                  | 9,614                                  |
| <b>Total</b>  | <b>9,489</b>                           | <b>44,953</b>                          |

**Note 2.20 Other expenses**

(Amount in Rs.)

| Particulars  | for the year ended<br>31st March, 2016 | for the year ended<br>31st March, 2015 |
|--|--|--|
| Advertisement                                      | 74,918                                 | 59,779                                 |
| Communication Expenses                             | 99,152                                 | 89,896                                 |
| Director Sitting Fee                               | 14,000                                 | 9,000                                  |
| Insurance  | 1,18,760                               | 1,30,654                               |
| Legal, Professional & Consultancy charges          | 42,51,000                              | 10,63,751                              |
| Loss on fixed assets sold / scrapped / written off | -                                      | 3,22,512                               |
| Miscellaneous expenses                             | 33,795                                 | 1,04,700                               |
| Payments to auditors'                              | 1,25,000                               | 1,25,000                               |
| Power and fuel                                     | -                                      | 14,700                                 |
| Printing and stationery                            | 34,477                                 | 31,055                                 |
| Rent   | 12,00,000                              | 12,00,000                              |
| Rates and taxes                                    | 3,99,704                               | 21,52,327                              |
| Repairs and maintenance                            | 62,000                                 | 1,08,220                               |
| Travelling and conveyance                          | 2,49,840                               | 2,06,344                               |
| Swachh Bharat Cess                                 | 92,853                                 | -                                      |
| Vehicle Maintenance                                | 2,73,929                               | 1,31,459                               |
| Water  | 26,929                                 | 23,975                                 |
| <b>Total</b>                                       | <b>70,56,357</b>                       | <b>57,73,372</b>                       |





**2. Notes on Financial Statements**

**2.21 Commitments/ Contingent Liabilities :**

| S.No | Particulars  | As at<br>31.03.2016 | As at<br>31.03.2015 |
|------|--|---------------------|---------------------|
| a.   | Commitments/ Contingent Liabilities  | Nil                 | Nil                 |
| b.   | 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 i.e., 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 |

**B. Related Party transactions are as under:**

(Amount in Rs.)

| Type of Transaction                                  | Holding Company |            | Key management Personnel |          |
|--|-----------------|------------|--------------------------|----------|
|  | 2015-16         | 2014-15    | 2015-16                  | 2014-15  |
| Rent paid  | 12,00,000       | 12,00,000  | -                        | -        |
| Managerial Remuneration                              | -               | -          | 12,00,00                 | 12,00,00 |
| Debit balances outstanding as 31 <sup>st</sup> March | 3,43,75,97      | 3,80,80,47 | -                        | -        |
|  | 1               | 1          | -                        | -        |

**2.25 Payments to Auditors:**

| S.No. | Particulars               | 2015-16<br>Rs.  | 2014-15<br>Rs.  |
|-------|---------------------------|-----------------|-----------------|
| 1.    | Statutory & Tax Audit fee | 1,25,000        | 1,12,500        |
|       | <b>Total</b>              | <b>1,25,000</b> | <b>1,12,500</b> |



2.26 During the year, the Central Bureau of Investigation (CBI) and directorate of enforcement filed cases against the company and its managing director under the prevention of money laundering Act, 2002 for allotment of 2,45,000 Equity shares of Rs.10/- each on preferential basis in the year 2008-09. Further, directorate of enforcement is in the process of issuing provisional attachment order in respect of some of the assets of the company. The company is co-operating with the above government agencies.

The company is confident that it has not done anything wrong and it would be able to give replies to the allegations to the satisfaction of the government agencies involved. As of now, these cases will have no impact on the financial statements of the company.

2.27 The additional information required under paragraphs 5(viii) (c) of general instructions for preparation of the statement of profit and loss as per Schedule III to the Companies Act, 2013 is not applicable to the company at present.

2.28 Balance of debtors, loans and advances and creditors are subject to reconciliation and confirmation.

2.29 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.

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**Signatures to notes on financial statements 2.1 to 2.30**

As per report of even date attached

**For and on behalf of the Board**

**For Ganeshvenkat & Co.,**  
Chartered Accountants  
Firm Registration No: 05293S

Sd/-  
**G.Rajavenkat**  
Partner  
Membership No. 25014

Sd/-  
**K.Ramakrishna Prasad**  
Managing Director  
DIN: 00016309

Sd/-  
**M.Madhusudana Rao**  
Director  
DIN: 01638593

Hyderabad, May 25, 2016

Sd/-  
**P.Pakeeriah**  
Chief Financial Officer



**SOWBHAGYA MEDIA LIMITED**

Regd. office: SSquare”,PlotNo.854, RoadNo44A,JubileeHills,Hyderabad–500033 CIN- L51109AP1994PLC018800

Form No. MGT-11

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member (s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member(s) of \_\_\_\_\_ shares of the above company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

Email Id: \_\_\_\_\_ Signature: \_\_\_\_\_

As my/our proxy to attend and vote (on poll) for me/our behalf at the 21<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, 30<sup>th</sup> September, 2016, at “S Square”, Plot No. 854, Road No. 44A, Jubilee Hills, Hyderabad–500033 or at any adjournment thereof in respect of such resolution as are indicate below:

| S. No | Resolution   | Vote |         |
|-------|--|------|---------|
|       |  | FOR  | AGAINST |
| 1     | Adoption of Audited Statement Balance sheet and Profit and Loss and Cash flow statement for the year ended March 31, 2016 together with the Schedules and Reports of the Board of Directors and the Auditors thereon |      |         |
| 2     | To consider re-appointment of <b>M/s. Ganesh Venkat &amp; Co., Chartered Accountants</b> , Hyderabad as Statutory Auditors and fixing their remuneration.  |      |         |
| 3     | To re-appoint <b>Shri. Madhusudan Rao Madikonda</b> , as Director, who retires by rotation and, being eligible, seeks re-appointment.  |      |         |

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of the Shareholder

Signature of the proxy holder(s)



Signature of the shareholder across Revenue Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**SOWBHAGYA MEDIA LIMITED**

**Regd. office: S Square”, PlotNo.854, RoadNo44A, JubileeHills, Hyderabad–500033**

**CIN- L51109AP1994PLC018800**

**ATTENDANCE SLIP**

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

I hereby record my presence a member in M/s Sowbhagya Media Limited holding-----  
(number of shares) for the 21<sup>st</sup> Annual General Meeting of M/s. Sowbhagya Media Limited held on 30<sup>th</sup> September, 2016, Friday at “S Square”, Plot No. 854, Road No 44A, Jubilee Hills, Hyderabad-500033

|                                     |  |
|-------------------------------------|--|
| Regd. Folio/DPID & Client ID        |  |
| Name and address of the shareholder |  |
| Joint Holders                       |  |

**Member’s/Proxy’s Name & Signature:**

**Note:**

1. Sign this attendance slip and hand it over at the attendance verification counter at the entrance of meeting hall.
2. Electronic copy of the Annual Report for the year ended 31st March, 2016 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance slip.
3. Physical copy of the Annual Report for the year ended 31st March, 2016 and Notice of the AGM along with the attendance slip and proxy form is sent



**E-Voting Information**

| <b>EVEN<br/>(Electronic Voting Event<br/>Number)</b> | <b>User ID</b> | <b>Password</b> |
|--|----------------|-----------------|
|  |                |                 |

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 M/s. 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](mailto: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**

**DIN-00016309**



**Application form for Registration of Email address**

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To

M/s. Sowbhagya Media Limited,  
S Square, Plot 854, Jubilees Hills,  
Road No-44A, Hyderabad-500033.

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 M/s. 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)**



If Undelivered return to

**Sowbhagya Media Limited**

**Registered Office**

Plot No. 854 E, Road No. 44, Jubilee Hills  
Hyderabad - 500 033.