

SOWBHAGYA MEDIA LIMITED

ANNUAL GENERAL MEETING:

24th Annual General Meeting

M/s. Sowbhagya Media Limited

Day : 14th December, 2019

Time : 4:00PM

Venue : The Purple Leaf Hotel, 3-7-218, Kharkhana Road, VikaramPuri, Secunderbad ,
Telangana 500015

BOARD OF DIRECTORS:

Sri Madikonda Madhusudhana Rao (Whole Time Director)

Tirumala Rao Kunderu (Director)

Anjaneyulu Perla (Director)

Spandana Javvaji (Director)

Padmasri Turlapati (Director)

Seetha Balu (Women Independent Director)

ANNUAL GENERAL MEETING

CIN & REGISTERED OFFICE:

L51109TG1994PLC018800
4th Floor, Block-A, My Home Tycoon, Green Lands,
Begumpet Hyderabad, Telangana-500016IN
Ph. 040-23422222
Fax: 040-23745566

E-mail: krk@sowbhagya.in

Website: www.sowbhagya.in

REGISTRARS & SHARE TRANSFER

AGENTS:

XL Softech Systems Limited

PlotNo.3,SagarSociety, RoadNo.2,

Banjara Hills, Hyderabad-500033

Ph. 040-23545913

Fax: 040-23553214

E-mail: xlfield@gmail.com

LISTING:

The Bombay Stock Exchange Ltd

BANKERS:

Vijaya Bank
Bank of India
UCO Bank
Corporation Bank

STATUTORY AUDITORS:

M/s. KVSRY & ASSOCIATES,
Chartered Accountants
FRN: 08169S
(Kari Venkateswarlu-Partner)
(Membership no. 207068)

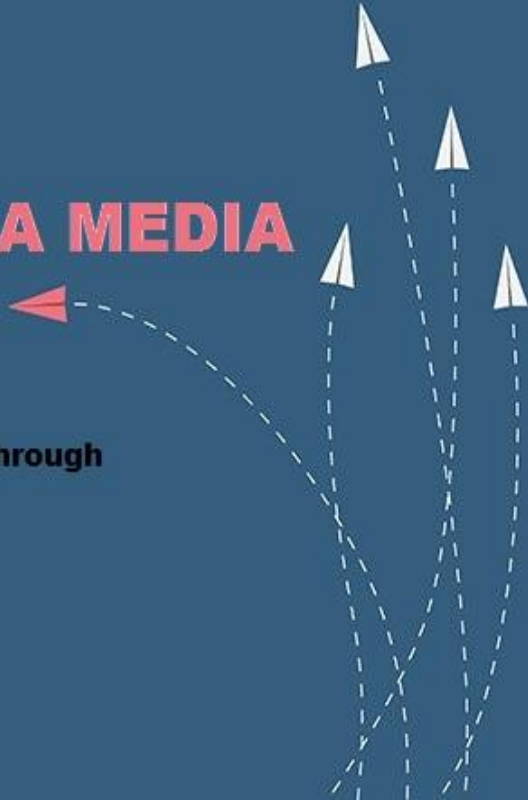
CHIEF FINANCIAL OFFICER:

Sri. Pasupuleti Pakeeriah

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SOWBHAGYA MEDIA

**In continuous pursuit of excellence through
Change Management.**



NOTICE OF 24th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY FOURTH ANNUAL GENERAL MEETING OF M/S. SOWBHAGYAMEDIA LIMITED WILL BE HELD ON SATURDAY, 14th DECEMBER, 2019, AT 4:00 P.M AT The Purple Leaf Hotel, 3-7-218, Kharkhana Road, VikaramPuri, Secunderabad, Telangana 500015 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2019 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.

2. To appoint Mr. Madhusudan Rao Madikonda (DIN: 01638593), who retires by rotation being eligible offers himself for reappointment.

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 **Mr. Madhusudan Rao Madikonda (DIN: 01638593)** to the extent that he is required to retire by rotation.

3. To consider appointment of M/s. KVSRY & Associates, Chartered Accountants, Hyderabad as Statutory Auditors of the Company for the period of 5 years 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, 142 and other applicable provisions, if any, of the companies Act, 2013 and the rules made there under, and pursuant to the recommendation of the Audit Committee, the consent of the members of the Company be and I hereby accorded to appoint KVSRY & Associates,, Chartered Accountants, Firm Registration No. 08169S, as statutory auditors of the Company, for a period of 5 (Five) years i.e. for the FY 2018-19 to 2022-2023, in place of M/s Amar & Raju, Chartered Accountants, Firm Registration No. 000092S, who were appointed for a period of 5 (Five) years at 22nd Annual General Meeting who expresses their unwillingness to continue."

4. To consider and if thought fit to pass with or without modifications(s) the following resolution as a '**Special Resolution**':

Appointment of Mr. Surendra Prasad Narla under Section 152(4), 160 of the Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Sections-152(4), 160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mr. Surendra Prasad Narla proposes himself to be appointed as a director by the company in the forthcoming Annual General Meeting.

RESOLVED FURTHER THAT Mr. Surendra Prasad Narla has furnished his declaration to the company that he is not disqualified to become a director with the company.

FURTHER RESOLVED THAT, the candidature for directorship of Mr. Surendra Prasad Narla shall be presented to the members of the company in the forthcoming Annual General Meeting and the board be and is hereby authorized to take such steps as may be required for obtaining necessary approvals- statutory, contractual or otherwise, for giving effect to this Resolution."

5. To consider and if thought fit to pass with or without modifications(s) the following resolution as a '**Special Resolution**':

Appointment of Mr. Narla Koti Krishna under Section 152(4), 160 of the Companies Act, 2013

"RESOLVED THAT pursuant to the provisions of Sections-152(4), 160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (Listing Obligations and Disclosure Requirements), Regulations,

2015, Mr. Narla Koti Krishna proposes himself to be appointed as a director with the company in the forthcoming Annual General Meeting.

RESOLVED FURTHER THAT Mr. Narla Koti Krishna has furnished his declaration to the company that he is not disqualified to become a director with the company.

FURTHER RESOLVED THAT, the candidature for directorship of Mr. Narla Koti Krishna shall be presented to the members of the company in the forthcoming Annual General Meeting and the board be and is hereby authorized to take such steps as may be required for obtaining necessary approvals- statutory, contractual or otherwise, for giving effect to this Resolution.”

6. To consider and if thought fit to pass with or without modifications(s) the following resolution as a ‘**Special Resolution**’:

Appointment of Mr. Dasari Taraka Hari Hara Prabhu under Section 152(4), 160 of the Companies Act, 2013.

“**RESOLVED THAT** pursuant to the provisions of Sections-152(4),160 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 (Listing Obligations and Disclosure Requirements), Regulations, 2015, **Mr. Dasari Taraka Hari Hara Prabhu** proposes himself to be appointed as a director with the company in the forthcoming Annual General Meeting.

RESOLVED FURTHER THAT Mr. **Dasari Taraka Hari Hara Prabhu** has furnished his declaration to the company that he is not disqualified to become a director with the company.

FURTHER RESOLVED THAT, the candidature for directorship of **Mr. Dasari Taraka Hari Hara Prabhu** shall be presented to the members of the company in the forthcoming Annual General Meeting and the board be and is hereby authorized to take such steps as may be required for obtaining necessary approvals- statutory, contractual or otherwise, for giving effect to this Resolution.”

SPECIAL BUSINESS:

7. To consider and if thought fit to pass with or without modifications the following resolution as ‘**Special Resolution**’:

“**RESOLVED THAT** pursuant to the provisions of Sections-196, 197,203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act 2013, and Articles of Association of the Company, the consent of the Members of the company be and is hereby accorded to appoint **Mr. Dasari Taraka Hari Hara Prabhu** as Managing Director of the Company for a period of 5 years with effect from 14th December, 2019 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid), with liberty to the board of directors of the company to exercise its powers, including the powers conferred by this resolution.

RESOLVED FURTHER THAT the board be and is hereby authorized to take such steps as may be required for obtaining necessary approvals- statutory, contractual or otherwise, for giving effect to this Resolution.”

NOTES:

1. Explanatory Statement as required under Section-102(1) of the Companies Act, 2013, is annexed to this notice.
2. Brief Profile of Director seeking re-appointment at the Annual General Meeting is attached to this Notice as **Annexure-A**.
3. 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.
4. 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.

5. The Register of Members and Share Transfer Books will remain closed from Friday, 6th December 2019 to Saturday, 14th December 2019 (Both days are inclusive).
6. 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.
7. **Transfer of Unclaimed / Unpaid amounts to the Investor Education and Protection Fund (IEPF):** Pursuant to Sections-123, 124 and 125 and other applicable provisions, if any, of the Companies Act, 2013, 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 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, 2019, nor shall any payment be made in respect of such claim.
8. The Notice of the AGM along with the Annual Report 2018-19 is being sent by physical copies through the permitted mode to all shareholders.
9. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories.
10. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the meeting.
11. The notice of the 24th Annual General Meeting is available on the website of the Company www.sowbhagya.in and website of Agency i.e. www.evotingindia.com.
12. 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 24th 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).
13. 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.
14. Kindly note that the shareholders can opt only one mode of voting i.e. either by e-voting or polling paper. If they are opting for e-voting, then they cannot vote physically also and vice versa. However, in case shareholders cast their vote physically and e-voting, then voting done through e-voting will prevail and voting done physically will be treated as invalid.
15. The Board of Directors has appointed Ms. Madhavalatha .M, a Practicing Company Secretary as a Scrutinizer to process the e-voting and submit the report to the Chairman.
16. Compliance Officer of the Company shall be responsible for addressing all the grievances of Shareholders in relation to this Annual General Meeting including e-voting. Her contact details are **Email: info@sowbhagya.in, Phone No: 040-2342222.**
17. **E-VOTING:**
The remote e-voting period commences on **Wednesday, 11th December 2019 (9:00 am) and ends on Friday, 13th December 2019 (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. 6th December 2019**, 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"
 - 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 demat form and had logged onto 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:

For Members holding shares in De-mat Form and Physical Form	
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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.</p>

- 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 a loused 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 <CompanyName> on which you choose to vote.
- X. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same

- XI. The option "YES/NO" for voting .Select the option YES or NO as desired.
- XII. The option YES implies that you as sent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- XIV. After selecting the resolution you have decided to vote on, click on "SUBMIT".A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- XV. Once you "CONFIRM" your vote on their solution, you will not be allowed to modify your vote.
- XVI. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- XVII. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. Institutional shareholders (i.e. Other than Individuals, HUF, NRI etc.) are required to logon to <https://www.evotingindia.co.in> and register themselves as Corporates.
- XIX. They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- XX. 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.
- XXI. The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on
- XXII. Approval of the accounts they would be able to cast their vote.
- XXIII. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

(A) Please follow all steps from sl.no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on <Date and Time> and ends on <Date and Time>.

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date)of <Record Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION-102 OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice:

Item No. 3, 4 & 5:

Mr. Surendra Prasad Narla , Mr. Narla Koti Krishna & Dasari Taraka Hari Hara Prabhu being persons with knowledge and great experience in the Television and Film Industry. Introduces them to the board to be considered for appointment as a Director by the members of the company. The company has received a deposit of Rs. 100000/- from each one Mr. Surendra Prasad Narla , Mr. Narla Koti Krishna & Dasari Taraka Hari Hara Prabhu as per section 152(4) of the Companies Act, 2013.

Mr. Surendra Prasad Narla , Mr. Narla Koti Krishna & Dasari Taraka Hari Hara Prabhu have given declaration to the Board and are not disqualified from being appointed as a Director in terms of Section 152(4) and Section 160 of the Companies Act, 2013.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos.3 and 4.

Item No.3

Company appoints Mr. Surendra Prasad Narla as a Director of the company, aged 72 years, having experience in the field of, Films and Television for more than two decades and presided as the director in M/s DCP Media Pvt Ltd, M/s Taraka Prabhu Publishers Pvt Ltd and proprietor of Surendra Enterprises.

Item No.4

Company appoints Mr. Narla Koti Krishna as a Director of the company. Mr. Narla Koti Krishna, aged 45 years, having experience in the field of whole sale and retail industry for more than 15 years and played a key role in nurturing Weave Hebral Concepts and its subsidiaries and pioneered and popularized Weave Global Sciences and other FMCG products from weave Group.

Item No. 6

Company appoints Mr. Dasari Taraka Hari Hara Prabhu as a Managing Director of the company for a period of 5 years from 14th December 2019 till 13th December 2024. Mr. Dasari Taraka Hari Hara Prabhu, aged 44 years, Masters in 3D Animation, SFX.illusion, 2D Animation, Maya and having experience in the field of content making, Films and Television for more than a decade and presided as the director in M/s DCP Media Pvt Ltd,

In terms of the provisions of the Act and the Articles of Association of the Company, the Nomination and Remuneration Committee and the board of directors have decided on the main terms and conditions for the appointment of Mr. Dasari Taraka Hari Hara Prabhu, which are as follows:

1. Period – From 14th December, 2019 to 13th December 2024.
2. Remuneration, Salary 18,00,000 per annum.

The Board recommends the resolutions set forth in Item Nos.3,4 and 5 for approval of the members.

By Order of the Board

Sowbhagya Media Limited

Sd/-

Madhusudan Rao Madikonda

(Whole Time Director)

(DIN-01638593)

16th November, 2019

Hyderabad

ANNEXURE - A TO THE NOTICE

Details of Directors as on March 31, 2019 seeking retirement by rotation at the Annual General Meeting.

Name of the Director	Mr. Madhusudan Rao Madikonda
Date of Birth	05/11/1961
Date of Appointment	21/03/2006
Relationship with Directors	NA
Expertise in specific functional area	Production and Distribution of Films
Qualification	LL.b and Masters Degree in Business Administration
Board Membership of other companies as on 31 st March, 2019	NIL
Chairman/ Member of the Committee of the Board of Directors as on 31 st March, 2019	NIL
Chairman/Member of the Committee of Directors of other companies in which he is a director as on 31 st March, 2019	Nil
a) Audit Committee	Nil
b) Stakeholders' Relationship Committee	Nil
c) Nomination and Remunerations Committee	Nil
Number of shares held in the Company as on 31 st March, 2019	Nil

DIRECTORS' REPORT

To,

The Members of Sowbhagya Media Limited

Your Directors have pleasure in presenting the 24th Annual Report of the Company together with the Audited Accounts for the year (FY 2018-19) ended 31st March, 2019.

FINANCIAL HIGHLIGHTS:

(Amount in Rs.)

Particulars	As on 31/03/2019	As on 31/03/2018
Revenue from operations	555000	307,97,500
Total Expenditure	(10,157,059)	(42,284,725)
Profit/Loss from operations before other income, interest and exceptional items	(9602059)	(88,48,660)
Other income	-	26,38,565
Extraordinary Items	-	-
Profit (+)/Loss (-) from extraordinary activities before tax	(9602059)	(88,48,660)
Tax Expense	34,79,286	6,88,025
Net Profit (+)/Loss (-) from extraordinary activities after tax	(61,22,773)	(81,60,635)
Paid-up equity share capital	10,93,00,000	10,93,00,000
Face value of each share	Rs. 10/-	Rs. 10/-
Earnings Per Share (EPS)	(0.56)	(0.75)

COMPANY'S PERFORMANCE:

During the year, the Company achieved the revenue from operations of Rs. 555,000/- as against the previous year income from operations of Rs. 307,97,500/-. Loss for the year was Rs.9602059/- over the PAT of Rs. (6122773)/- in FY 2018-19. The directors of your company are continuously putting their efforts to achieve the turnover as well as profits.

DIVIDEND:

The directors of the Company has not declared and not recommended any dividend during the year under review.

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.

DEPOSITS COVERED UNDER CHAPTER V OF THE COMPANIES ACT:

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

DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE CHAPTER V OF THE COMPANIES ACT:

Not applicable as the company did not invite or accept deposits from public

LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2018-2019 to BSE where the Company's Shares are listed and not paid for 2019-20.

DEMATERIALISATION OF SHARES:

94.89% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 5.11% is in physical form.

The Company's Registrars and Share Transfer Agents are M/s.XL Softech Systems Limited having its registered office at 3, Sagar Society, Road No.2, Banjara Hills, Hyderabad-500 034.

DIRECTORS:

As on the date of this report, Company's Board comprises of 6(six) Directors, out of which 5 are Non-Executive directors including 1 Woman Director.

A. BACKGROUND OF DIRECTORS:

1. Madhusudan Rao Madikonda - Director

Sri M.Madhusudana Rao, Whole Time 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 today running of Finance Function and has credible track record in Media & Entertainment Industry.

2. SeethaBalu- Woman Director

Smt. SeethaBal-, an Women Director and Non-Executive 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.

B. CHANGES IN DIRECTORS AND KMP:

There are new appointments in the members of directors during the financial year.

C. RETIREMENT BY ROTATION:

Mr. Madhusudan Rao Madikonda, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Board recommends his re-appointment.

D. EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board has carried out the evaluation of its own performance and Committees of the Board, the performance of directors individually after taking various parameters which include integrity, credibility, expertise and trustworthiness of Directors, Board's monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the Directors, safeguarding the interests of the stakeholders etc.

The performance evaluation of the board as a whole was carried out by the Independent Directors. The performance evaluation of each independent director was carried out by the board. The directors expressed their satisfaction with the evaluation process.

Criteria for selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel:

Your Company has laid down well-defined criteria for the selection of candidates for appointment as Directors, Key Managerial Personnel and Senior Management Personnel.

CHIEF FINANCIAL OFFICER (CFO):

Mr. Pakeeraiah Pasupuleti is the Chief Financial Officer of the Company

BOARD & COMMITTEE MEETINGS:

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

- (a) Seven (9) 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 and SEBI (LODR) Regulations, 2015.
- (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 and SEBI (LODR) Regulations, 2015.
- (c) Four (4) Nomination & Remuneration Committee Meeting was held, details of which are given in the Corporate Governance Report.

INDEPENDENT DIRECTORS AND THEIR MEETING:

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. The details on the separate meeting of the Independent Directors 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:

Pursuant to Section-135 and Schedule VII of the Companies Act, 2013, read with Companies (Corporate Social Responsibility) Rules, 2014, during the year under review the company does not fall under the criteria of implementing CSR and hence CSR is not applicable.

PARTICULARS OF EMPLOYEES/MD/CFO:

There are no employees employed throughout the financial year and in receipt of remuneration of Rs. 1,02,00,000 (Rupees One Crore Two Lakhs) or more, or employed for part of the year and in receipt of Rs. 8,50,000/- (Rupees Eight Lakhs Fifty Thousand) or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, whose particulars are required to be furnished.

REMUNERATION RATIO OF THE DIRECTORS/KMP/EMPLOYEES:

Statement showing disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19: Nil
- ii) ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

S. No	Name of Director/ KMP and Designation	The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year	The Percentage increase in remuneration of each Director, CFO, CEO & CS in the financial year.	The percentage increase in the median remuneration of employees in the financial year	Comparison of the Remuneration of the KMP against the performance of the Company
1.	Ramakrishna Prasad Kondapalli	No Change	0	0	Remuneration = 15 lakhs per annum Net Profit of the Company= Nil (FY 2018-19)
2.	PakeeraiahPasupuleti	No Change	0	0	Remuneration = 4.80 lakhs per annum Net Profit of the Company= Nil (FY 2018-19)

- iii) The median remuneration of employees of the Company during the financial year : NA;
- iv) In the financial year, increase in the median remuneration of employees-NA;

- v) There are no other employees in the company for the Financial year ended 31st March 2019 and the Company is Availing the services on consultancy basis.
- vi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 is not Applicable whereas the increase in the managerial remuneration for the same financial year is Nil.
- vii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

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. The policy aims to provide protection to employees at the work place, and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, and framed with the objective of providing a safe working environment, where employees feel secure. There were no cases reported during the financial year 2018-19 under the said policy.

SECRETARIAL STANDARDS:

As Secretarial Standards approved by the Central Government, have 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 1st July 2015.

The Institute of Company Secretaries of India has revised the two secretarial standards viz. SS-1 and SS-2 with effect from 01st October, 2017 mentioning the approval from Ministry of Corporate Affairs Letter No. 1/3/2014-CL.I Dated 14th June, 2017 and by the institute by way of notification no. F. No. ICSI/6/2017 in the official gazette has withdrawn the old secretarial standards with effect from 30/09/2017.

The company has implemented the applicable secretarial standards as applicable during the respective parts of the financial year.

DIRECTORS RESPONSIBILITY STATEMENT:

As required under Section - 134(5) of the companies act, 2013 Directors of your Company here by 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, 2019 and of the loss 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, 2019 have been prepared on a going concern basis;

DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

Company does not have any subsidiary, associates and joint venture Companies.

COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES DURING THE YEAR:

Not Applicable

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 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.

REPORT ON CORPORATE GOVERNANCE:

As required by 'SEBI (LODR) Regulations, 2015', the Corporate Governance Report is enclosed as Annexure-C Certificate from the Statutory Auditors of the company M/s.KVSRV & Associates, 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.

Directors' explanation on the comments of the Secretarial Auditor for the yearended 31st March, 2019 as set out in his Secretarial Audit Report dated 28th May, 2019 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 Shops & Establishments Act, the board would like to inform that, the company is in the process of document preparation for getting registered and to comply the applicable provisions under the said Act.
- (ii) With reference to sub-clause (b) and (c) of clause (vi) of the said report wherein the Secretarial Auditor has mentioned that the company secretary of the company has resigned and no qualified company secretary is appointed as a compliance officer during the reporting period, the board would like to inform that, the company has released number of advertisements, and did not get the qualified company secretary. The company will appoint a qualified company secretary as a compliance officer at the earliest.
- (iii) With reference to sub-clause (d) of the clause (vi) of the said report, the company would like to affirm the said statement as it's a fact on record.
- (iv) With reference to sub-clause (e) of the clause (vi) of the said report, the company would like to affirm the said statement as it's a fact on record.
- (v) With reference to sub-clause (f) of the clause (vi) of the said report, the company states that the office was relocated, hence the documents with respect to notice copies sent to the Board of Directors of the company for their meetings held during the Financial Year (18-19) could not be located immediately at the time of the Secretarial Audit.
- (vi) With reference to sub-clause (g) of the clause (vi) of the said report, the company states to comply with the provisions of the Companies Act, 2013 at the earliest.
- (vii) With reference to sub-clause (h) Vadde Kishore (director) did not comply with the provisions of Section 167(1)(b) hence the office of director is vacated.
- (viii) With reference to sub-clause (i) 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 Ex-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 final attachment with Enforcement Directorate. The Board would like to inform you that, the Directorate of Enforcement has given final attachment order vide F.No.ECIR/12/DLZO/2014/pt-1/AD (AK)/SDS/1256, 1258, 1260 Dated 04.07.2016 Dt. 04.07.2016 in respect of Fixed Deposit of Rs. 50 lakhs and Two Vehicles (Vide Vehicle Reg.No. AP09 BP 1111 and AP 09 BR 1111) of the company.

The Case Details are as follows:

S.No	Case Number	Stage of the Case	Particulars of the properties attached	Letter Reference
DIRECTORATE OF ENFORCEMENT				
1.	487/2015	The company is in the process of filling further appeals	Fixed deposit of Rs. 50.00 lakhs	F.No.ECIR/12/DLZO/2014/pt-1/AD(AK)/SDS/1260 dated 04.07.2016
2.			Vehicle Registration No. AP09 BP 1111	F.No.ECIR/12/DLZO/2014/pt-1/AD(AK)/SDS/1256 dated 04.07.2016
3.			Vehicle Registration No. AP09 BR 1111	F.No.ECIR/12/DLZO/2014/pt-1/AD(AK)/SDS/1258 dated 04.07.2016
CENTRAL BUREAU OF INVESTIGATION (CBI)				
1.	RC NO. 219 2013 E 0006	There was hearing on 25.05.2017	and no.of hearing subsequently	

The company is of the opinion that it has complied the applicable laws and confident that, there are no violations and it would be able to give replies to the allegations to the satisfaction of the government agencies involved. These cases will have no impact on the financial statements of the company.

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.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY:

The Company has in place adequate internal financial controls commensurate with the size and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations were observed.

The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

AUDIT OBSERVATIONS:

Auditors' observations are suitably explained in no test to the Accounts and are self-explanatory except the following:

In point vii(b) of Annexure B of Auditors Report, Auditors made an observation of service tax due to the department for the FY 2010-11 and 2011-12, and the board is informing that the dispute is pending and the company is in the process of making good for the dues and the details of which are as follows:

Nature of Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	1,52,92,553	Financial year 2010-11 and 2011-12	Appellate Tribunal, Service Tax, Hyderabad

AUDITORS:

a) Statutory Auditors:

Pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013, the Company has appointed M/s. KVSRY & Associates, Chartered Accountants, Firm Registration No. 08169S, are the Statutory Auditors of the company for the Financial Year 2018-19, who were appointed for a period of 5 (Five) years at 23rd Annual General Meeting.

c) Secretarial Auditors and Secretarial Auditors Report:

Pursuant to the provisions of Section-204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed GSLN GUPTA, Practicing Company Secretary to carry out the Secretarial Audit in terms of the Companies Act, 2013 for the financial year 2018-19. The Secretarial Audit Report issued by GSLN GUPTA, proprietor, CP11271, Practicing Company Secretary in form MR-3 is enclosed to this report as **Annexure-D**.

EXTRACT OF ANNUAL RETURN:

As required under 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 'E'**.

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 below:

A) Conservation of energy:

The Company has been continuously making efforts to reduce energy consumption. The management is striving to achieve cost reduction by economical usage of energy and to bring a general awareness about energy conservation among employees.

(B) Technology absorption:

No new Technology has been utilized for the services rendered and the company has not imported any technology. **(C) Foreign exchange earnings and Outgo:**

Earnings in Foreign Exchange	:	Rs. Nil
Spending in Foreign Exchange	:	Rs. Nil

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:

The amount of net profits/Losses during the year, transferred to the reserves.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Details of the Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 are given in the notes to the financial statements pertaining to the year under review.

GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. Neither the Managing Director nor the Whole-time Director of the Company received any remuneration or commission from any of its subsidiaries.
4. No frauds were reported by the auditors during the year under review

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/-

M.MADHUSUDANARAO

Director

DIN- 01638593

Hyderabad, 16TH November 2019.

Sd/-

TIRUMALA RAO KUNDERU

Director

DIN- 06459338

RELATED PARTY TRANSACTIONS:**ANNEXURE - A TO THE DIRECTORS' REPORT****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.

viii. **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

B. Related Party transactions are as under:

(Amount in Rs.)

Type of Transaction	Holding Company	
	2018-19	2017-18
Rent paid	-	10,98,750
Managerial Remuneration	15,00,000	15,00,000
Debit balances outstanding as 31 st March	35,142,850	35,142,850

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

For Sowbhagya Media Limited

Sd/-

MADHUSUDAN RAO MADIKONDA,
DIN-01638593

Whole Time Director

ANNEXURE - B TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Indian Economic System:

India remains one of the fastest growing economies in the world despite the temporary slowdown in growth due to government's decision to withdraw high denomination notes from circulation.

The Indian advertising industry is projected to be the second fastest growing advertising market in Asia after China. At present, advertising revenue accounts for around 0.38 per cent of India's gross domestic product.

Industry Structure and Developments:

Media and Entertainment Industry:

Strong economic fundamental coupled with growth in domestic consumption has also aided the Indian Media and Entertainment industry to maintain growth of 10.9 percent in the FY 2017-18 and is expected to grow at a CAGR of 13.10 per cent. The long term factors driving the future growth are expected to remain positive, with growing rural demand, increasing digital access and consumption and expected culmination of the digitization process of television distribution over the next three years.

Television:

Television forms the core of the Indian M & E industry contributing to around 47% of the overall revenue of the industry. Television witnessed slower growth in 2018 at 12.24 percent, primarily due to lackluster year for subscription revenues and a speed bump in advertisement revenue growth. Though the advertisement revenue growth at 8.5 percent was steady, it was higher than last year's estimates primarily due to slower than expected domestic consumption and impact of demonetization.

Company outlook and Performance during the year:

Sowbhagya Media Limited (BSE Code: 532025) is engaging in the business of television serials and film making and it was formed in the year 1994.

Based on the positive market conditions and continuous efforts of the management during the year 2018-19 does affect the Turnover positively. Earlier your company has reported a turnover of Rs. 300.87Lakhs in 2017-18 and Rs. 5.5 lakhs in financial year 2018-19

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 quarterly reviewing the financials and internal controls.

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 workplaces.

RISK FACTORS:

Risks associated with Audience tastes:

Rapid change in viewer tastes and preferences can impact business adversely Audience tastes are constantly evolving and difficult to predict with accuracy. People's tastes vary quite rapidly along with the trends and environment they live in. This makes a virtually impossible to predict whether a particular show or serial would do well or not. With the kind of investments made in ventures, repeated non-performance of the shows would have an adverse impact on the bottom line of the company.

Sowbhagya Media evaluates and analyzes the risk reward scenario before commencing film production or any other major project and the company's dedicated team conducts research to understand the evolving of audience preferences and tastes.

Competition Risk:

The Company operates in highly competitive environment that is subject to innovations, changes and the rising of competition may reduce bargaining power with channels.

The influence of national dubbed serials has handicapped the creativity and strategy for the local and original flavor of Telugu. Unlike ban on dubbing in Kannada which has given an advantage there to develop the quality content with strong story line. Sowbhagya is the leader in the Telugu Media Industry and enjoys strong brand recognition with shows and serials commanding good premium.

Regulatory Risk:

The Media and Entertainment sector is governed by the rules and regulations framed by the Ministry of Information & Broadcasting as well as industry bodies such as Telecom Regulatory Authority of India (TRAI). The rules and regulations have direct bearing on the revenue potential of the company. The existing as well as future rules and regulations can impact the financial performance of the company.

Human Resource Risk:

Proper utilization of human resources in a company is crucial and important for success of the organization. The business depends on key talent (story writers, creative heads, lead artists, directors, technicians, among others). Non availability of such resources could impact business adversely.

Internal Risk factors:

- For providing best content to viewers, Sowbhagya would have to incur high expenditure on its programming from time to time.
- The Company may from time to time launch new serials or films. Content for these channels is either created or acquired from others. The success of any serial or film depends on various factors including the quality of making serial or film, price, extent of marketing, competition etc. There can be no assurance that the company will be as successful in launching new serials or films as it has been in the case of existing serials or films.

SWOT ANALYSIS

Strength	Challenges
<ul style="list-style-type: none"> ▪ Powerful Strategies supported by Competitive ▪ Experience in the Key Areas ▪ Strong Financial Position ▪ Brand Image ▪ Corporate Reputation ▪ Market Leader ▪ Advanced and superior skills in technology. ▪ Cost advantages. ▪ Strong and advertising network of film. ▪ New product innovation skills of film. 	<ul style="list-style-type: none"> ▪ Limiting ourselves to one Regional Language ▪ Fixed Channels used for Telecast ▪ Inadequate distribution channels of film. ▪ Major vulnerability to industry driving forces ▪ Valuable Skills
Opportunities	Threats
<ul style="list-style-type: none"> ▪ Expansion of business activities ▪ Expansion of product segments ▪ Expanding the firm’s product line effective utilization of existing skills and technologies to enter new market with new product and services ▪ Using the internet and e-commerce network communications and technologies to dramatically cut costs ▪ Integration of backward and forward diversification of business. 	<ul style="list-style-type: none"> ▪ Piracy ▪ Increasing the intensity of films competition in market. ▪ Technological changes impact for Product demand reduced from customers. ▪ New Government regulatory requirements. ▪ Growing bargaining powers of vendors in market. ▪ Adverse demographic changes which threaten to curtail demand

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of Financial Statements for the Financial Year 2018-19 there is no treatment of any transaction different from that prescribed in the Accounting Standards.

REPORT ON CORPORATE GOVERNANCE:

Annexure- C

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.

viii. 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.

viii) Composition and Category of Directors:

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	% to total number of directors
Executive/Promoter Directors	1	0.167%
Non-executive Directors	5	99.833%

b) Attendance of each Director at Board Meetings and the last Annual General Meeting:

S. No	Name of the Director	Position of Director	Category of Director-ship	Number of Board Meetings held	Number of Board Meetings attended	Attendance at the AGM held on 29 th September, 2018
1.	K. Ramakrishna Prasad	Managing Director	Executive Promoter Director	9	9	Yes
2.	M.Madhusudhana Rao	Director	Non-Executive Director	9	9	Yes
3.	Vadde Kishore	Director	Non-Executive Director	9	0	Yes
4.	Seetha Balu	Director	Non-Executive Director	9	4	Yes

5.	BalaKotaiahBorra	Additional Director	Non-Executive Director	4	4	N.A
6.	Leela Krishna Janyavula	Additional Director	Non-Executive Director	4	4	N.A
7.	Tirumala Rao Kunderu	Additional Director	Independent director	2	2	N.A
8.	Anjaneyulu Perla	Additional Director	Independent director	2	2	N.A
9.	Padmasri Turlapati	Additional Director	Independent director	2	2	N.A
10.	Spandana Javvaji	Additional Director	Independent director	2	2	N.A

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.

c) Number of other Board/Committees where each director (being a director of the company as at the end of the financial year) is a director/Chairman:

S. No	Name of the Director	Number of Directorships in other companies	Number of Committee memberships in other companies
1.	K. RamakrishnaPrasad	1	-
2.	M.Madhusudhana Rao	-	-
3.	Vadde Kishore	-	-
4.	SeethaBalu	-	-
5.	BalaKotaiahBorra	1	-
6.	Leela Krishna Janyavula	-	-

d) Number of Board Meetings held during the year and the dates of the board meetings.

During the year 2018-19 the Board met Seven (9) times which as follows: (excluding independent directors meetings which are given separately)

S. No	Date of Board Meeting	Total Number of Directors on the Board	Directors Attended the Meeting
-------	-----------------------	--	--------------------------------

1.	29-05-2018	6	4
2.	07-07-2018	6	4
3.	13-08-2018	6	4
4.	03-09-2018	6	5
5.	13-11-2018	4	3
6.	24-11-2018	4	3
7.	19-12-2018	4	3
8.	24-12-2018	8	6
9.	13.02.2019	8	6

The maximum time gap between any two of the Board Meetings was not more than 120 (One Hundred and Twenty) days. The Company has not entered into any materially significant transactions with its Promoters, Directors, Management or Relatives etc., which could have a potential conflict of interest with the Company.

e) Number of shares and convertible instruments held by non-executive directors: Nil

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 and investments.
- 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.

II. COMMITTEES OF THE BOARD:

Currently the company has 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 of 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.

The Audit Committee has met 4 (Four) times during the period under review and the meetings were held on 29th May, 2018, 13th August, 2018, 24th November, 2018 and 13th February, 2019.

The quorum of the committee is 2 members.

The details of attendance of members of the Audit Committee are as follows:

Name of the Member	Status	No. of meetings held	No. of Meetings attended
M. Madhusudan Rao	Chairman	4	4
K. Ramakrishna Prasad	Member	4	4
Seetha Balu	Member	4	1

NOMINATION AND REMUNERATION COMMITTEE:

The functioning and terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 and other applicable provisions of the Companies Act, 2013, rules made there under and Regulation 19 read with Para A Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 Directorate 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.

The Nomination and Remuneration Committee has met 4 (four) time during the period under review and the meeting was held on 29th May, 2018, 13th August, 2018, 24th November, 2018 and 13th February, 2019.

The quorum of the committee is 2 members.

Name of the Member	Status	No.of meetings held		No.of Meetings attended	
M. Madhusudan Rao	Chairman	4		4	
SeethaBalu	Member	4		1	
K.Ramakrishna Prasad	Member	4	1	4	1
Bala Kotaia Prasad	Member	2		2	

The committee is primarily responsible for reviewing and recommending appropriate level of remuneration for the executive and non-executive directors and to recommend the appropriate and experienced personnel in the board level and senior management.

DETAILS OF REMUNERATION TO EXECUTIVE DIRECTORS:

Particulars	Sri K. Ramakrishna Prasad, DIN-00016309
Salary	Rs.15, 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

The Stakeholders Relationship Committee has met 4 (Four) times during the period under review and the meetings were held on 29th May, 2018, 13th August, 2018, 24th November, 2018 and 13th February, 2019.

The quorum of the committee is 2 members.

Ms. SeethaBalu, Non-Executive Director of the Company appointed as chairman of Stakeholders Relationship Committee Mr. M. Madhusudan Rao and Mr. Leela Krishna Jampavale are the members of the committee.

Number of Shareholders Complaints received so far- Nil

Number not solved to the Satisfaction of Shareholders- Nil

Number of Pending Share Transfers- Nil

Name and Designation of Compliance Officer:

Company is in the process of appointing Compliance Officer

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on 03rd September 2018 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required by the Provisions of the Section-149 read with Schedule-IV of the Companies Act, 2013 the independent directors met and reviewed inter-alia;

- the performance of non-independent directors and the Board of Directors as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive, Non-Executive Directors and

- Assessed the quality, quantity and timeliness of flow of information between the Company management that is necessary for the board to effectively and reasonably perform their duties and presented their observations to the Board of Directors.

GENERAL BODY MEETINGS:

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

Year	Date	Time	Location
2015-2016	30.09.2016	11:00 A.M.	"S SQUARE", Plot No.854,Road No.44A,Jubilee Hills, Hyderabad - 500033
2016-2017	29.09.2017	11:00 A.M.	"S SQUARE", Plot No.854,Road No.44A,Jubilee Hills, Hyderabad - 500 033
2017-2018	29.09.2018	11:00 A.M.	"Plot No.79, First Floor, H.No.8-3-230/P/30, Sravathi Nagar, Jubilee hills, Hyderabad - 500045.

- Special resolutions for appointment of Independent Directors and Managing Director are passed in the last Annual General Meeting.
- During the year under review, no special resolution was passed through postal ballot.

DISCLOSURES:

- (viii) 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, 2018.
- (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
- (viii) Whistle Blower policy and affirmation that no personnel have been denied access to the audit committee- Nil
- (iv) Details of compliance with mandatory requirements- Complied
- (viii) 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.

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] in forms part of this annual report.

GENERAL SHAREHOLDER INFORMATION:

Date, time and venue of Annual General Meeting,	Saturday, 14 th December, 2019 at 04:00 PM The Purple Leaf Hotel, 3-7-218, Kharkhana Road, Vikaram Puri, Secunderabad, Telangana 500015
Financial Year	2018-19
Date of Book Closure	Friday, 6 th December 2019 to Saturday, 14 th December 2019 (Both days inclusive)
Listing on Stock Exchanges	Bombay Stock Exchange: Phiroze Jeejee bhoy Towers, Dalal Street, Mumbai-400001
Stock Codes/Security	SOWBHAGYA/532025

Code	
-------------	--

Stock Data – Yearly			Spread	
	Year	High (Rs.)	Low (Rs.)	H L
2017	7.10	1.35	5.75	-3.63
2018	2.91	1.64	1.27	0.15
2019	2.50	1.71	0.79	0.71

Listing Fees	Paid up to date i.e.31.3.2019
CIN of the Company	L51109TG1994PLC018800
Website	www.sowbhagya.in
Address for Correspondence	Compliance Officer, M/s.Sowbhagya Media Limited, : 4 th Floor, Block-A, My Home Tycoon, Green Lands, Begumpet, Hyderabad, Telangana - 500 016 Ph: 040-23422222 e-mail: krk@sowbhagya.in
Registrars to an issue and Share Transfer Agents:	XL Softech Systems Limited PlotNo.3,SagarSociety, RoadNo.2,BanjaraHills, Hyderabad-500033Ph. 040-23545913, Fax: 040-23553214 e-mail: xlfield@gmail.com
Share Transfer System:	TheCompany'ssharesaretradedintheStockExchangesinDematerializedform. Shares in physical mode that are lodged with the Company and XL Softech (Registrar and Transfer Agent) are registered within a period of 12days if the documents are clear in all respects. The shares duly transferred are dispatched to the concerned share holders within a week from the date of approval of transfers by the Share Transfer Committee, which meets as often as required.
De-materialization of Shares	As on 31 st March, 2019, 1,03,71,477 shares were held in dematerialized form
ISIN	INE826D01014

Stock Data - Monthly High, Low and Average

Month	High (Rs.)	Low (Rs)	H-L	C-O
April - 18	2.46	1.92	0.54	-0.54
May -18	1.92	1.83	0.09	-0.09
Oct - 18	2.00	1.68	0.32	-0.03
Nov - 18	1.79	1.64	0.15	0.15
Jan - 19	1.80	1.79	0.01	0.01
Mar - 19	1.80	1.71	0.09	-0.02

DISTRIBUTION OF SHAREHOLDING:

The Distribution of Shareholders' as on 31st March, 2019.

Distribution of Shareholding	No. of Share holders	Percent of Total Shares	Share Amount	Percent of Share Amount
Up to 5,000	445	59.97	602510	0.55
5,001 - 10,000	115	15.50	1042230	0.95
10,001 - 20,000	45	6.06	782970	0.72
20,001 - 30,000	26	3.50	684900	0.63
30,001 - 40,000	12	1.62	453750	0.42
40,001 - 50,000	13	1.75	628650	0.58
50,001 - 1,00,000	23	3.10	1769490	1.62
1,00,001 & above	63	8.49	103335500	94.54
TOTAL	742	100.00	109,300,000	100.00

Disclosures

- (i) During the Financial year 2018-19, 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.

Secretarial Audit:

Mr. GSLN Gupta, Company Secretary in Practice has conducted a Secretarial Audit of the Company for the FY 2018-19. The Directors replied in their report for observations/reservations made in the Secretarial Audit Report and the said report forms part of the Directors Report.

Pursuant to Regulation 40(9) of SEBI (LODR) Regulations, 2015, certificates have been issued on a half-yearly basis, by the aforesaid Company Secretary in Practice, certifying due compliance of share transfer formalities by the Company/RTA and also issuing

quarterly Reconciliation of Share Capital audit as per Regulation-55A of Depository Participant Regulations, 1996 and filed with BSE by the company .

CORPORATE IDENTIFICATION NUMBER

The Corporate identification Number (CIN) as allotted by Ministry of Corporate Affairs is **L51109TG1994PLC018800**

Websites where results are displayed: 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, 2019. 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 SENIORMANAGERIAL 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, 2019.

Sd/-

Madhusudan Rao Madikonda

Whole Time Director

DIN- 01638593

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, Madhusudan Rao Madikonda(DIN:01638593), Whole Time Director and PakeeriahPasupuleti, Chief Financial Officer of M/s. Sowbhagya Media Limited, to the best of our knowledge and belief, herewith certify that:

- viii. We have reviewed the Balance Sheet and Profit & Loss Account of the Company for the quarter and financial year ended 31stMarch, 2019 and all its schedules and notes on accounts as well as the Cash Flow statements and certify that:
- viii) 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.

- viii. There are no transactions entered into by the Company during the year is fraudulent, illegal or volatile of the Company's code of conduct.
- viii. 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 2018-19.
- 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/-
Madhusudan Rao Madikonda,
Whole Time Director
DIN-00016309

Sd/-
Pakeeriah Pasupuleti,
Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members,
Sowbhagya Media Limited

We have examined the compliance of conditions of Corporate Governance by M/s. SowbhagyaMedia Limited for the year ended 31st March 2018, as per Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 for the period 01stApril, 2018 to 31st March, 2019.

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 Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For KVSRY & ASSOCIATES
Chartered Accountants
Firm's Registration No. 08169S
Sd/-

(KARI.VENKATESWARLU)
Partner
Membership No. 207068

Place: Hyderabad
Date: 28.05.2019

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
FCS: 9322 CP: 11271

Hyderabad, 28th May, 2019
ANNEXURE 'D'
TO THE DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2018

[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: L51109TG1994PLC018800) (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, 2019 ('Audit Period'), the Company has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes, 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, 2019 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 there under;

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 Shops & Establishments Act and applicable provisions to be complied.
- b. The Company Secretary of the Company has resigned on 04th February, 2019 and the company has not yet recruited full time Company Secretary as per the provisions of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and as per the SEBI (LODR) Regulations, 2015.
- c. Regulation 6(1) of SEBI (LODR) Regulations, 2015, a qualified Company Secretary has to be Compliance Officer of the company whereas after resignation of existing Company Secretary w.e.f. 04th February, 2019, the company has not appointed qualified Company Secretary as compliance officer during the reporting period.
- d. According to the information available and explanation provided to us, During the Financial Year under review, the members of the company have passed Ordinary Resolution u/s. 169 of the Companies Act, 2013 to remove Mr. Ramakrishna Prasad Kondapalli, Managing Director of the Company at their Extra-Ordinary General Meeting held on December 19, 2018 by virtue of requisition made by the Holding Company M/s. Siri Media Private Limited. However, the National Company Law Tribunal, Hyderabad Bench by it's interim order vide. CP No. 729/241/HDB/2018 dated 18/12/2018 i.e. before the date of holding Extra-Ordinary general Meeting held that if any resolution for removal of Mr. Ramakrishna Prasad Kondapalli from the Board of Directors the implementation of the same shall not be done till 24/12/2018 and subsequent hearings are going on as on reporting date, In view of above facts we are not able to comment since matter is pending before the said Hon'ble Tribunal.

After reporting period, Mr. Ramakrishna Prasad Kondapalli, Managing Director of the Company has resigned from his Directorship of the company by his letter dated 11/04/2019 citing health reasons.

- e. According to the information available and explanation provided to us, In the Extra-Ordinary General Meeting of the Company held on 19/12/2018, Mrs. Hemalaya Kumari Murukonda was proposed to be appointed as Managing Director of the company as per the Item No. 2 of the Notice of the Extra-Ordinary General Meeting dated 24/11/2018. The resolution for the same has been passed by the shareholders of the company. However as per the information filed by the company with the Bombay Stock Exchange "The Resolution for appointment of Mrs. Hemalaya Kumari Murukonda as Managing Director has been passed, but the resolution proposed in the said EGM Notice is technically incorrect hence the same cannot be taken on record even though the resolution is voted in favour." As per the EGM Proceedings, she cannot be appointed as a Managing Director without being an existing director on the board of the company even though the resolution is passed by the shareholders. Till date DIR-12 for Appointment of Mrs. Hemalaya Kumari Murukonda as Managing Director has not been filed by the Company.

- f. The Notice copies sent to the Board of Directors of the Company for their meetings held during the Financial Year under review are not available in the records for our verification.
- g. The company has at it's board meeting held on 07th July, 2018 has resolved to Transfer Unclaimed Dividend and the relevant Equity Shares to IEPF unless any claim is received by the company from the respective shareholders or their legal representatives or hires before 26/08/2018 pursuant to Section-124(6) of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Whereas the company has transferred the Unpaid Dividend amount to IEPF but not the Equity Shares which is a Non-Compliance of the Provisions of the Companies Act, 2013.
- h. As per the explanation provided to us by the company, Mr. Vadde Kishore, Director of the company has not attended any board meetings in the Financial Year 2018-19 due to which he has vacated his office as director u/s. 167(1)(b) of the Companies Act, 2013. However no forms were filed by the company till date to report the same to the ROC.
- i. Without qualifying my opinion, regarding legal cases against company and its Ex-Managing Director, Mr. K Rama Krishna Prasad the following note to be referred.

Note: As per the information given by the company, 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 Further, During the year, The Directorate of enforcement has given Final Attachment order vide its F.No.ECIR/12/DLZO/2014/pt-1/AD (AK)/SDS/1256, 1258, 1260 Dated 04.07.2016 in respect of Fixed Deposit of Rs. 50.00 Lakhs and Two Vehicles (vide vehicle registration no. AP09 BP 1111 and AP09 BR 1111) of the company.

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.

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

I further report that as represented by the Company and relied upon by us, In my opinion 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.

For LNG & ASSOCIATES

Company Secretaries

Sd/-

G S L N GUPTA

Proprietor

CP: 11271

Hyderabad, 28th May, 2019

Form No. MGT.-9
Extract of Annual Return as on the financial year ended on 31/03/2018
[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:

- a) Corporate Identification Number (CIN): L51109TG1994PLC018800
- b) Registration Date: 23/11/1994
- c) Name of the Company: SOWBHAGYA MEDIA LIMITED
- d) Category / Sub-Category of the Company: Company Limited by shares
- e) Address of the Registered office and contact details: 4th Floor, Block- A, My Home Tycoon, Green Lands, Begumpet, Hyderabad, Telangana- 500016
- f) Whether listed Company: YES
- g) Name, Address and Contact details of Registrar and Transfer Agent, if any: XLSofttech Systems Limited.

Address: Plot NO.3,Sagar Society, Road No.2,BanjaraHills, Hyderabad-500033.Phone No.040-23545913, 040-23553214

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:-

S. No.	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:U22100TG1996PTC02425 5	Holding Company

iv. **SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Shareholding

Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 1, 2018				No. of shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A.	Promoters and Promoter Group									
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	6519400		6519400	59.65	6519400		6519400	59.65	NIL
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Others-Trust	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		6519400	-	6519400	59.65	6519400	-	6519400	59.65	NIL
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		6519400	-	6519400	59.65	6519400	-	6519400	59.65	NIL

(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	--	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	--	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
(i)	Foreign Portfolio Investors (Corporate)	-	-	-	-	-	-	-	-	-
(j)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		-	-	-	-	-	-	-	-	-

Sr. No.	Category of shareholders	No. of shares held at the beginning of the year April 1, 2018				No. of shares held at the end of the year March 31, 2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(2)	Non-Institutions									
(a)	Bodies Corporate	455352	45321	500673	4.58	899766	45321	945087	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital up to `2 lakh	771501	139502	911003	8.33	717197	132702	849899		
ii	Individual shareholders holding nominal share capital in excess of `2 lakh	2620145	375800	2995945	27.41	2236993	375800	2612793	0.5	(0.2)
(c)	Others(Specific)	-	-	-	-	-	-	-	-	-
(d)	Any Other									
i	Non Resident Indian(NRI)	2821	-	2821	0.021	2821	-	2821		
ii	Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
iii	Clearing Members	158	-	158	0.001	-	-	-	-	-
iv	Trusts	-	-	-	-	-	-	-	-	-
v	Foreign Bodies	--	--	-	-	-	-	-	--	-
Sub-total (B) (2)		3849977	560623	4410600	40.35	3046777	553823	2615614		
Total Public Shareholding (B) = (B)(1)+(B)(2)										
C.Shares held by Custodian for GDRs & ADRs		-	-		-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		3849977	560623	4410600	40.35	3046777	553823	2615614	100.0	-

ii) Shareholding of Promoters (including Promoter Group)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year April 1, 2018			Shareholding at the end of the year March 31, 2019			% change in shareholding 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	-	-

* Forms part of the Promoter Group

iii) Change in Promoters' (including Promoter Group) Shareholding (please specify, if there is no change)- No Change.

* Forms part of the Promoter Group

iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and holder of GDRs and ADRs):

Sr. No	Top Ten Shareholders*	Shareholding at the beginning of the year April 1, 2018		Cumulative shareholding at end of the year March 31, 2019	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		1.	PINNAMANENI ESTATES PRIVATE LIMITED	0	0
2.	VIGFIN STOCKS P LTD	148538	1.3159	145872	1.335
3.	HEIGHTS INFRAPROJECTS PRIVATE LIMITED	84500	0.773	84500	0.773
4.	CAPABLE INFRASTRUCTURE PRIVATE LIMITED	44821	0.410	44821	0.410
5.	SAGARIKA INFRASTRUCTURE PRIVATE LIMITED	12500	0.114	18500	0.169
6.	SHRI BALAJI HOLDFIN LIMITED	18000	0.165	18000	0.165
7.	MASTER CAPITAL SERVICES LTD	14816	0.136	14806	0.135
8.	WEALTH MORE CONSULTING PRIVATE LIMITED	9000	0.082	9000	0.082
9.	SAAKETA FINSTOCK PVT. LTD.	118139	1.081	8900	0.081
10.	SHRI PARASRAM HOLDINGS PVT.LTD.	7754	0.071	7754	0.071

* The shares of the Company are traded on daily basis and hence the date wise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v) Shareholding of Directors and Key Managerial Personnel: Directors and KMP does not have any shares in the company.

vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Number of Units	Nominal value per share	Total Value
Non-convertible debentures	-	-	-
Partly convertible debentures	-	-	-
Fully convertible debentures	-	-	-
Secured Loans(Including interest outstanding/accrued but not due for payment) excluding deposits--	-	-	-
Unsecured Loans(including interest outstanding/ accrued but not due for payment) excluding deposits	--	-	-
Deposit	-	-	-
Total	-	-	-

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Ramakrishna Prasad Kondapalli		
Particulars of Remuneration		
1.	Gross salary	1500000
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	as % of profit	
5.	Others, Allowances	
	Total (A)	1500000
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)	-

B. Remuneration to other directors:NIL

C. Remuneration to Key Managerial Personnel other than MD/ Manager / WTD-Mr. Pakeeraiah Pasupuleti-CFO Rs. 4,80,000/-

IX.PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE:NIL

For and on behalf of the Board of Directors

M/s Sowbhagya Media Limited

Sd/-

Sri, Madhusudhana Rao Madikonda

(Whole Time Director)

(DIN: 01638593)

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Sowbhagya Media Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Sowbhagya Media Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 March 31, 2019 its loss, changes in equity and its cash flows for the year ended on the date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI and specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2017 and 31st March 2016 dated 27th May, 2017 and 25th May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and

changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also 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; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 29 and 33 to the financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) The company has at its board meeting held on 07th July, 2018 has resolved to Transfer Unclaimed Dividend and the relevant Equity Shares to IEPF unless any claim is received by the company from the respective shareholders or their legal representatives or hires before 26/08/2018 pursuant to Section-124(6) of the Companies Act, 2013 and Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Whereas the company has transferred the Unpaid Dividend amount to IEPF but not the Equity Shares which is a Non-Compliance of the Provisions of the Companies Act, 2013.

For KVSRY & ASSOCIATES
Chartered Accountants
Firm's Registration No. 08169S
Sd/-
(KARI.VENKATESWARLU)
Partner
Membership No. 207068

Place: Hyderabad
Date: 28.05.2019

Annexure – A

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE FINANCIAL STATEMENTS OF
SOWBHAGYA MEDIA LIMITED

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our Report

- i) a The Company has maintained proper records, showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification
- c The Company does not have any immovable properties.
- ii) The Company does not have any inventories.
- iii) According to the information and explanations given to us, the Company has granted unsecured advance / loan in the earlier years to one party listed in the register maintained u/s 189 of the Act. Since the amount receivable is interest free and repayable on demand reporting under clause (iii) (b), (c) of the Order is not applicable to the company.
- iv) During the year the company has not made any investment or given any guarantee or provided any security. 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 in respect of grant of loans.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly the provisions of Clause (v) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities rendered by the Company.
- vii) a The Company is generally regular in depositing with appropriate authorities undisputed statutory dues, including Income Tax, Service Tax, GST and other statutory dues applicable to it.

According to the information and explanations given to us no undisputed amounts payable in respect of Income Tax, Service Tax, GST were in arrears, as at 31st March 2019 for a period of more than six months from the date they became payable.

- b According to the information and explanations given to us, there are no dues of Income Tax and GST which have not been deposited with the appropriate authorities on account of any dispute except other than disclosed hereunder:

Name of statute	Nature of dues	Amount Rs.	Period to which amount relates	Forum where dispute is pending

Finance Act, 1994	Service Tax	Tax 1,52,92,553 and penalty 1,52,92,553	FY 2010-11 & 2011-12	Appellate Tribunal, Service Tax, Hyderabad
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- viii) The Company does not have any borrowings from Financial Institutions, Banks or Debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- .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) In our opinion and according to the information and explanations given to us, no fraud by the Company and no fraud on the company by its officers or employees has been noticed or reported during the course of audit.
- xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) Since the Company is not a Nidhi Company, the provisions of Clause (xii) of paragraph 3 of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act and as required by the applicable accounting standards the details of the transactions with the related parties have been disclosed in the notes to the financial statements.
- 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) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the reserved Bank of India Act, 1934.

For KVSRY & ASSOCIATES
Chartered Accountants
Firm's Registration No. 08169S
Sd/-
(KARI.VENKATESWARLU)
Partner
Membership No. 207068

Place: Hyderabad
Date: 28.05.2019

Balance Sheet as at March 31, 2019

All amounts in INR, unless otherwise

stated

Particulars	Notes	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS					
Non-current assets					
Property, plant and equipment	2 & 2.1	2,869,576	3,583,366	4,441,472	6,102,238
Capital work-in-progress	2 & 2.1	-	-	-	98,812
Other Intangible assets	2 & 2.1	4,892,936	4,959,855	5,027,636	4,873,313
Financial assets					
i. Loans	3	50,282,114	55,044,280	59,190,468	62,518,501
ii. Other financial assets	4	15,721,172	16,016,607	11,030,189	14,342,981
Deferred tax assets (Net)	5	4,495,022	1,015,736	327,711	327,711
Other non-current assets	6	284,000	284,000	284,000	284,000
Total non-current assets		78,544,819	80,903,844	80,301,476	88,547,556
Current assets					
Financial assets					
i. Trade receivables	7	2,777,387	5,000,687	3,780,403	7,094,930
ii. Cash and cash equivalents	8A	39,476	4,012,043	10,037,011	517,030
iii. Bank balances other than (ii) above	8B	299,829	2,299,829	12,742,642	1,085,690
Current tax assets (net)	9	610,651	1,932,701	1,281,545	8,197,239
Other current assets	10	8,211,527	6,469,573	1,422,207	688,246
Total current assets		11,938,870	19,714,833	29,263,808	17,583,135
Total assets		90,483,689	100,618,677	109,565,284	106,130,691
EQUITY AND LIABILITIES					
Equity					
Equity share capital	11	109,300,000	109,300,000	109,300,000	109,300,000
Other equity	12	(19,657,109)	(13,534,335)	(5,373,700)	(6,302,767)
Total equity		89,642,891	95,765,665	103,926,300	102,997,233
LIABILITIES					
Current liabilities					
Financial liabilities					
Trade payables	13	623,446	4,464,752	4,777,335	2,594,888
Other current liabilities	14	217,351	388,260	861,649	538,570
Total current liabilities		840,797	4,853,012	5,638,984	3,133,458
Total liabilities		840,797	4,853,012	5,638,984	3,133,458
Total equity and liabilities		90,483,689	100,618,677	109,565,284	106,130,691

Summary of significant accounting policies

1

The notes are an integral part of these financial statements.

As per our Report of even date

For KVSRY & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

(Kari Venkateswarlu)

Partner

Membership Number: 207068

For and on behalf of the Board of Directors

Sd/-

(Tirumala Rao Kunderu)

Director

DIN : 06459338

Sd/-

(M.Madhusudan Rao)

Whole time Director

DIN :01638593

Sd/-

(P. Pakeeraiah)

Chief Financial Officer

Place : Hyderabad

Date : 28/05/2019

Sowbhagya Media Limited
Statement of profit and loss for the year ended March 31, 2019

Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Income :				
Revenue from operations	15	555,000	30,797,500	60,032,500
Other income	16	-	2,638,565	807,961
Total income		555,000	33,436,065	60,840,461
Expenses :				
Expenditure on Media Operations	17	795,056	23,062,774	46,682,060
Employees benefits expense	18	2,741,000	2,954,000	2,347,063
Depreciation and amortisation expenses	2	827,166	702,864	1,768,945
Other expenses	19	5,793,838	15,436,470	9,042,205
Finance costs	20	-	128,617	35,033
Total Expenses		10,157,059	42,284,725	59,875,306
Profit/(loss) before tax		(9,602,059)	(8,848,660)	965,155
Tax expense	21			
- Current tax		-	-	-
- Deferred tax		3,479,286	688,025	-
- Income tax prior year			-	(36,088)
Net profit / (loss) for the year		(6,122,773)	(8,160,635)	929,067
Other comprehensive income :				
a) 'Items that will not be reclassified to profit or loss				
Income tax relating to above			-	-
b) 'Items that may be reclassified to profit or loss				
Income tax relating to above			-	-
Total other comprehensive income for the year, net of tax		-	-	-
Total comprehensive income for the year		(6,122,773)	(8,160,635)	929,067
Earnings per equity share				
Basic earnings per share	21	(0.56)	(0.75)	0.09
Diluted earnings per share		(0.56)	(0.75)	0.09

Summary of significant accounting policies
The notes are an integral part of these financial statements.

1

As per our Report of even date
For KVSRY & ASSOCIATES

Sd/-
(Kari Venkateswarlu)

Partner
Membership Number: 207068

For and on behalf of the Board of Directors

Sd/-
(M.Madhusudan Rao)

Whole time Director
DIN :01638593

Sd/-
(Tirumala Rao Kunderu)
Director
DIN : 06459338

Sd/-
(P. Pakeeraiah)
Chief Financial Officer

Place : Hyderabad
Date : 28/05/2019

Sowbhagya Media Limited
Cash Flow statement for the year ended March 31, 2019

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Cash flow from Operating Activities			
Net Profit Before Tax	(9,602,059)	(8,848,660)	965,155
Adjustments for:			
Depreciation and amortisation expense	827,166	702,864	1,768,945
Interest income		(352,054)	(1,680,914)
Finance Cost		128,617	35,033
Loss on disposal of vehicles		371,187	-
Bad debts / advances written off		6,800,000	3,374,994
(Gain)/loss on Expected Credit Loss model(ECL)		(2,286,511)	1,034,345
Operating Profit Before Working Capital Changes	(8,774,894)	(3,484,557)	5,497,558
Changes in assets and liabilities:			
(Increase) / Decrease in trade receivables	2,223,300	(1,933,773)	(1,094,812)
(Increase) / Decrease in non-current financial loans	5,057,601	346,188	3,328,033
(Increase) / Decrease in other non-current assets	-	-	-
(Increase) / Decrease in other current assets	(1,741,954)	(5,047,366)	(733,961)
(Increase) / Decrease in current tax assets	1,322,050	(651,156)	6,915,694
Increase/(Decrease) in trade payable	(3,841,306)	(312,583)	2,182,447
Increase/(Decrease) in other current liabilities	(170,909)	(473,389)	323,079
Cash generated from/(used in) operating activities	(5,926,112)	(11,556,636)	16,418,038
Income tax paid	-	-	(36,088)
Net cash generated from/(used in) operating activities (A)	(5,926,112)	(11,556,636)	16,381,950
Cash flow from Investing Activities			
Payments for property, plant and equipment	(46,456)	(188,164)	(163,690)
Proceeds from disposal of sale of vehicles	0	40,000	-
Interest received	0	460,463	1,135,972
(Increase) / decrease in other bank balances	2000000	10,497,986	(11,499,218)
(Increase) / decrease in other non current financial assets	0	(5,150,000)	3,700,000
Net cash flow/(used in) Investing Activities (B)	1,953,544	5,660,285	(6,826,936)
Cash flow from Financing Activities			
Interest paid	0	(128,617)	(35,033)
Net cash from/(used in) Financing Activities ©	0	(128,617)	(35,033)
Net Increase in Cash & Cash Equivalents (A + B + C)	(3,972,568)	(6,024,968)	9,519,981
Cash & Cash Equivalents at the Beginning	4,012,043	10,037,011	517,030
Cash & Cash Equivalents at the End	39,476	4,012,043	10,037,011

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS-7 on 'Cash Flow Statement'.

As per our Report of even date
For KVSRY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number: 08169S
Sd/-
(Kari Venkateswarlu)
Partner
Membership Number: 207068

For and on behalf of the Board

Sd/-
(M.Madhusudan Rao)
Whole time Director
DIN :01638593

Sd/-
(Tirumala Rao Kunderu)
Director
DIN : 06459338

Sd/-
(P. Pakeeraiah)
Chief Financial Officer

Place : Hyderabad

Date : 28/05/2019

Sowbhagya Media Limited
Statement of changes in equity for the year ended March 31, 2019

A. Equity Share Capital

Particulars	Note No.	Amount
As at April 1, 2016	11	109,300,000
Changes in equity share capital during the year		-
As at March 31, 2017		109,300,000
Changes in equity share capital during the year		-
As at March 31, 2018		109,300,000
Changes in equity share capital during the year		-
As at March 31, 2019		109,300,000

B. Other Equity

Particulars	Note No.	Reserves and Surplus
		Retained Earnings
Balance as at 1 April 2016	12	(6,302,767)
Profit for the year		929,067
Other comprehensive income		-
Balance as at 31 March 2017		(5,373,700)
Profit for the year		(8,160,635)
Other comprehensive income		-
Balance as at 31 March 2018		(13,534,335)
Profit for the year		-
Other comprehensive income		0
Balance as at 31 March 2019		(13,534,335.48)

As per our Report of even date
For KVSRY & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration Number: 08169S

For and on behalf of the Board of Directors

Sd/-
(Kari Venkateswarlu)
Partner
Membership Number: 207068

Sd/-
(M.Madhusudan Rao)
Whole time Director
DIN :01638593

Sd/-
(Tirumala Rao Kunderu)
Director
DIN : 06459338

Sd/-
(P. Pakeeraiah)
Chief Financial Officer

Place : Hyderabad
Date : 28/05/2019

Sowbhagya Media Limited
Notes forming part of the financial statements

Note 3 : Financial Assets - Non-Current - Loans (carried at amortised cost)

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Unsecured, considered good				
a) Security Deposits *	3,109,834	7,822,000	7,802,000	11,002,000
b) Amount receivable from related parties *	35,142,850	35,142,850	35,509,038	34,375,971
c) Other advances / receivables	12,029,430	12,079,430	15,879,430	17,140,530
Total non-current other financial assets	50,282,114	55,044,280	59,190,468	62,518,501

* Refer Note No: 27

Note 4 : Other non-current financial assets (carried at amortised cost)

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Unsecured, considered good				
a) Fixed Deposits with bank - attached by CBI *	13650000	13,650,000	5,000,000	5,000,000
b) Interest receivable on above deposits *	2071172	2,366,607	2,366,607	1,930,763
c) Fixed deposit with banks with maturity period more than 12 months	-	-	3,500,000	7,200,000
d) Interest receivable on above deposits	-	-	163,582	212,218
Total non-current other financial assets	15,721,172	16,016,607	11,030,189	14,342,981

* Refer Note No: 33

Note 5 : Deferred tax assets (Net)

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Deferred tax asset	4,495,022	1,015,736	727,022	541,845
Deferred tax liability	0	-	(399,311)	(214,134)
Net Deferred tax asset	4,495,022	1,015,736	327,711	327,711

Movement in differed tax liabilities

Particulars	Property, Plant & Equipment	Other Items	Total
As at April 1, 2016	541,845	(214,134)	327,711
Charged / (credited) to profit or loss	185,177	(185,177)	-
to other comprehensive income	-	-	-
As at March 31, 2017	727,022	(399,311)	327,711
Charged / (credited) to profit or loss	(107,282)	795,306	688,025
to other comprehensive income	-	-	-
As at March 31, 2018	(107,282)	795,306	1,015,736
Charged / (credited) to profit or loss	(636,602)	5,131,624	4,495,022
to other comprehensive income	-	-	-
As at March 31, 2019	(636,602)	5,131,624	4,495,022

Note 6 : Other non-current assets

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Unsecured, considered good				
Capital advances	284,000	284,000	284,000	284,000
Total	284,000	284,000	284,000	284,000

Note 7 : Trade receivables

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Unsecured, considered good	2,777,387	5,000,687	3,780,403	7,094,930
Doubtful	-	4,569,923	6,856,434	5,822,089
Less: Allowance for doubtful debts (expected credit loss allowance)	-	(4,569,923)	(6,856,434)	(5,822,089)
Total	2,777,387	5,000,687	3,780,403	7,094,930

Note 8 : Cash and Bank Balances
8A. Cash and Cash Equivalents

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
a) Balances with Banks in current accounts	22,351	3,706,792	9,912,732	260,452
in deposit accounts	-	-	-	-
b) Cash on hand	17,125	305,251	124,279	256,578
Total Cash and cash equivalents	39,476	4,012,043	10,037,011	517,030

8B. Other Bank balances

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
a) Earmarked balances with banks :				
Unpaid dividend account	-	72,338	70,324	71,106
b) Fixed Deposit with Bank	-	2,000,000	12,500,000	1,000,000
c) Interest receivable on above deposits	299,829	227,491	172,318	14,584
Total	299,829	2,299,829	12,742,642	1,085,690

9. Current tax assets (net)

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Advance income tax (net of provision for income tax)	610651	1,932,701	1,281,545	8,197,239
Total	610,651	1,932,701	1,281,545	8,197,239

Note 10 : Other current assets

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Unsecured, considered good				
a) Prepaid expenses	417,769	48,440	63,735	53,506
b) Balance with government authorities	462,181	462,181	135,972	34,740
c) Staff advances	239,300	179,000	120,000	-
d) Other advances	947,657	1,000,000	1,000,000	600,000
e) Deposit made against disputed service tax	1,529,255	1,150,000	-	-
f) Advance for supplies, services & expenses	4,615,365	3,629,952	102,500	-
Total	8,211,527	6,469,573	1,422,207	688,246

Notes forming part of the Financial
Statements

Note : 11 Equity Share Capital

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Authorised share capital: 1,50,00,000(2018: 1,50,00,000 and 2017 : 1,50,00,000) equity shares of Rs. 10/- each	150,000,000	150,000,000	150,000,000	150,000,000
Total	150,000,000	150,000,000	150,000,000	150,000,000
Issued and subscribed capital: 1,09,30,000 (2018 : 1,09,30,000 and 2017 : 1,09,30,000) equity shares of Rs. 10/- each fully paid	109,300,000	109,300,000	109,300,000	109,300,000
Total	109,300,000	109,300,000	109,300,000	109,300,000

Details of shares held by Holding Company

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
Siri Media Private Limited Number of shares % of holding of equity shares	6,519,400 59.65%	6,519,400 59.65%	6,519,400 59.65%	6,519,400 59.65%

Details of shares held by each shareholder holding more than 5% shares in the company

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
Siri Media Private Limited Number of shares % of holding of equity shares	6,519,400 59.65%	6,519,400 59.65%	6,519,400 59.65%	6,519,400 59.65%

Movement in equity share capital

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Number of shares at the beginning of the year	10,930,000	10,930,000	10,930,000	10,930,000
Add: Number of shares issued and subscribed during the year	-	-	-	-
Number of shares at the end of the year	10,930,000	10,930,000	10,930,000	10,930,000

Terms and rights attached to equity shares:

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 12 : Other equity

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Reserves and surplus:				
Retained earnings	(19,657,109)	(13,534,335)	(5,373,700)	(6,302,767)
Total	(19,657,109)	(13,534,335)	(5,373,700)	(6,302,767)

Retained earnings	As at		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Opening balance	(13,534,335)	(5,373,700)	(6,302,767)
Add: Net profit for the year	(6,122,773)	(8,160,635)	929,067
Closing balance	(19,657,109)	(13,534,335)	(5,373,700)

Note 13: Trade Payables

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Dues to micro enterprises and small enterprises (Refer below)	-	-	-	-
Dues to creditors other than micro enterprises and small enterprises	623,446	4,464,752	4,777,335	2,594,888
Total	623,446	4,464,752	4,777,335	2,594,888

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed	-	-	-	-

day during the year				
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-	-	-
Further interest remaining due and payable for earlier years	-	-	-	-

Note 14: Other current liabilities

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
a) Dividend payable	72,176	72,176	72,176	72,176
b) Statutory taxes and duties payable	23,111	251,084	714,108	436,394
c) Employee payable	122,064	65,000	75,365	30,000
Total	217,351	388,260	861,649	538,570

Note 15: Revenue from Operations

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Income from TV Serial Production / Media and Entertainment Services	555,000	30,797,500	60,032,500
Total	555,000	30,797,500	60,032,500

Note 16: Other Income

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Interest income	-	352,054	1,260,624
Interest on income tax refund	-	-	420,290
Income from Advertisements	-	-	161,392
Changes in fair value of financial assets	-	2,286,511	(1,034,345)
Total	-	2,638,565	807,961

Note 17: Expenditure on Media Operations

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Expenditure on Serial Production	795,056	22,825,000	45,575,000
Expenditure on website contents	-	237,774	1,107,060
Total	795,056	23,062,774	46,682,060

Note 18: Employee benefit expenses

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Salaries	1,241,000	1,454,000	973,500
Directors remuneration	1,500,000	1,500,000	1,200,000
Staff welfare	-	-	173,563
	2,741,000	2,954,000	2,347,063

Note 2: Depreciation and amortisation expense

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Depreciation of property, plant and equipment	827,166	702,864	1,768,945
Total	827,166	702,864	1,768,945

Note 19: Other expenses

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Advertisement	118507	94,373	81,843
Travelling and conveyance	900699	132,143	299,137
Printing and stationery	90075	31,150	88,945
Communication costs		88,297	98,513
Operating lease rent	390400	1,098,750	1,244,625
Insurance		127,710	108,147
Rates and taxes excluding taxes on income		495,071	572,618
Auditors remuneration	160000	150,000	125,000
Legal and Professional & Consultancy charges	1986000	4,843,749	2,442,784
Repairs and maintenance	239983	184,433	316,332
Vehicle maintenance	83284	229,025	154,919

Miscellaneous expenses	1824888.54	790,582	134,348
Bad debts written off		3,000,000	3,374,994
Advances written off		3,800,000	-
Loss on sale of vehicles		371,187	-
Total	5,793,838	15,436,470	9,042,205

Note 20: Finance cost

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Interest expense			
Interest on delayed payment of income tax / service tax	-	128,617	35,033
Total	-	128,617	35,033

Note No: 21: Tax expenses

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
(a) Income tax expenses			
Current tax			
Tax on profits for the year	-	-	-
Tax on other comprehensive income	-	-	-
Prior year taxation	-	-	(36,088)
(b) Deferred tax			
(Decrease)/increase in deferred tax assets	3,479,286	688,025	-
Total	3,479,286	688,025	(36,088)

Note 22: Earnings Per Share

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Profit after tax	(6,122,773)	(8,160,635)	929,067
Weighted average number of equity shares in calculating Basic and Diluted EPS	10,930,000	10,930,000	10,930,000
Face value per share	(0.56)	(0.75)	0.09
Earnings per share - basic / diluted (in Rs.)	(0.56)	(0.75)	0.09

Note: There are no dilutive potential equity shares outstanding during the year

Note 23: Payment to auditor

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
To statutory auditors			
-Statutory Audit fee		150,000	100,000
-Tax Audit fee	-		25,000
Total	-	150,000	125,000

Note 24: Disclosure in respect of operating leases

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Operating leases taken by the Company			
Lease payments recognised in the Profit and loss for the year	390400	1,098,750	1,244,625
Total	390,400	1,098,750	1,244,625

Note 25: Managerial Remuneration

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
Remuneration to Managing Director K. Ramakrishna Prasad	1,500,000	1,500,000	1,200,000
Total	1,500,000	1,500,000	1,200,000

Note 26: Segment Reporting

Particulars	Year ended		
	March 31, 2019	March 31, 2018	March 31, 2017
	Amount	Amount	Amount
The Company's business activities falls with in single segment			
a) Revenue from external customers (excluding taxes)	555,000	30,797,500	60,032,500
b) Revenue from domestic customers	555,000	30,797,500	60,032,500
c) Revenue from foreign customers	-	-	-
d) Non-current assets other than deferred tax assets located in India	74,049,797	79,888,108	79,973,765
e) Non-current assets other than deferred tax assets located outside India	-	-	-
f) Total amount of revenue from each major Customer			
Eenadu Television Private Limited	555,000	30,797,500	60,032,500

Note 27: Related Party Disclosure:

A. Name of related parties and nature of relationships:

Names of related parties	Description of relationship
Siri Media Private Limited	Holding Company
K. Ramakrishna Prasad	Managing Director
M. Madhusudhana Rao	Director
K.Tirumala Rao	Director
Vadde Kishore	Director
Seetha Balu	Director
K.Anjaneyulu	Director
J.Spandana	Director
T.Padmasri	Director
P. Pakeeraiah	Chief Financial Officer

B. Details of transactions during the year:

Name of the related parties	Nature of transactions	Year ended		
		March 31, 2019	March 31, 2018	March 31, 2017
		Amount	Amount	Amount
K. Ramakrishna Prasad	Remuneration	1,500,000	1,500,000	1,200,000
P. Pakeeraiah	Salary paid	480,000	450,000	360,000
Siri Media Private Limited	Rent	-	1,063,750	1,244,625

C. Details of outstanding balances as at the year end receivable/(payable):

Name of the related parties	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
Siri Media Private Limited	35,142,850	35,142,850	35,509,038	34,375,971

Note 28 :Financial instruments and risk management - Fair values

The management assessed that trade receivables, cash and cash equivalents, other financial assets, trade payables approximate their carrying amounts. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

a) Financial instruments by category

I. Financial Assets - Measured at amortised Cost :

Particulars	As at							
	March 31, 2019		March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets: Non -current								
Loans	50,282,114	50,282,114	55,044,280	55,044,280	59,190,468	59,190,468	62,518,501	62,518,501
Other financial assets	15,721,172	15,721,172	16,016,607	16,016,607	11,030,189	11,030,189	14,342,981	14,342,981
Financial assets: Current								
Trade Receivables	2,777,387	2,777,387	5,000,687	5,000,687	3,780,403	3,780,403	7,094,930	7,094,930
Cash and Cash Equivalents	39,476	39,476	4,012,043	4,012,043	10,037,011	10,037,011	517,030	517,030
Other bank balances	299,829	299,829	2,299,829	2,299,829	12,742,642	12,742,642	1,085,690	1,085,690
Grand Total	69,119,978	69,119,978	82,373,446	82,373,446	96,780,713	96,780,713	85,559,132	85,559,132

II. Financial Liabilities - Measured at amortised Cost :

Particulars	As at							
	March 31, 2019		March 31, 2018		March 31, 2017		April 1, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Liabilities: Current								
Trade Payables	623,446	623,446	4,464,752	4,464,752	4,777,335	4,777,335	2,594,888	2,594,888
Grand Total	623,446	623,446	4,464,752	4,464,752	4,777,335	4,777,335	2,594,888	2,594,888

b) Fair value hierarchy

Carrying amount of trade receivables, cash and cash equivalents, other financial assets and trade payables, are considered to be same their fair Values For fair valuation, all these items except cash and cash equivalents have been categorised as Level 3 in fair value hierarchy.

Note 29: Commitments and contingent liabilities

Particulars	As at			
	March 31, 2019	March 31, 2018	March 31, 2017	April 1, 2016
	Amount	Amount	Amount	Amount
a) Claims against the Company not acknowledged as debts in respect of:				
Disputed Service Tax matters in respect of which the Company has gone in appeal				
Disputed Service Tax for the year 2010-11 and 2011-12 (excluding interest which is not yet determined)	15,292,553	15,292,553	15,292,553	-
Penalty there on	15,292,553	15,292,553	15,292,553	-
b) Estimated amount of capital contracts remaining to be executed and not provided for				
	NIL	NIL	NIL	NIL

Note 30: Financial Risk Management

The Company is exposed to market risk (price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and price risk. Financial instruments affected by market risk include loans and trade receivables.

The analysis exclude the impact of movements in market variables on the carrying values of provisions and the non-financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2019 and 31 March 2018.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets and liabilities, the income / expense and operating cash flows are substantially independent of changes in market interest rates.

B) Credit risk

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks.

Regarding credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. The management assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses if any.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

i. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings assigned by external agencies.

ii. Credit risk on trade receivables is evaluated as follows:

Particulars	31 March 2019	31 March 2018	31 March 2017
Gross Carrying amount	2,777,387	9,570,610	10,636,837
Expected credit loss (Loss allowance provision)	-	(4,569,923)	(6,856,434)
Carrying amount of Trade Receivables	2,777,387	5,000,687	3,780,403

C) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due. Company maintains flexibility in funding by maintaining availability under deposits in banks.

Management monitors cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the company.

Maturities of Financial Liabilities

Contractual maturities of financial liabilities as at March 31, 2019

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	0-12 Months	Above 12 months	0-12 Months	Above 12 months	0-12 Months	Above 12 months
	Amount	Amount	Amount	Amount	Amount	Amount
Trade Payable	623,446		4,464,752	-	4,777,335	-
Other current liabilities	217,351		388,260	-	861,649	-
Grand Total	840,797		4,853,012	-	5,638,984	-

Note 31 : Capital management

For the purpose of the capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is debt divided by total capital. The Company includes within debt, interest bearing loans and borrowings.

Particulars	31 March 2019	31 March 2018	31 March 2017	01 April 2016
Borrowings				
Current - Short term borrowings	-		-	-
Non current - Long term borrowings	-		-	-
Current maturities of long term borrowings	-		-	-
Debt	-		-	-
Equity				
Equity share capital	109,300,000	109,300,000	109,300,000	109,300,000
Other equity	(19,657,109)	(13,534,335)	(5,373,700)	(6,302,767)
Total capital	95,765,665	95,765,665	103,926,300	102,997,233
Gearing ratio in % (Debt/capital)	0%	0%	0%	0%

In order to achieve this overall objective, the Company, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

Sowbhagya Media Limited
Notes forming part of the financial statements for the year ended March 31, 2019

Background

Sowbhagya Media Limited was engaged in the business of movie and TV serial production and distribution activities.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Note 1.1 Basis of preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS, refer Note 32 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

Note 1.2 : Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of the assets and liabilities, the disclosure of the contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of these changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Note 1.3 : Revenue recognition

Revenue is recognized at fair value of the consideration received and receivable. Amount disclosed as revenue are net of value added taxes.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below.

Sales (Program / film rights) are recognized when the risk and rewards of ownership are passed onto the customers.

Note 1.4 : Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 1.5 : Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Note 1.6 : Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Note 1.7 : Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1.8 : Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Note 1.9 : other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows

ii) Measurement

All financial assets are recognised initially at fair value. Financial assets not recorded at fair value through profit or loss are recognised at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv) Derecognition of financial assets

A financial asset is derecognized only when

- The company has transferred the rights to receive cash flow from the financial asset or
 - retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients
- Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset is not derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial asset but does not consider the expected credit losses.

Note 1.10 : Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the entity or the counterparty.

Note 1.11 : Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Note 1.12 : Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. Software which are not part of the computer hardware and from which future economic benefits are expected are treated as intangible assets. All finite-lived intangible assets, are accounted for using the cost model where by capitalised costs are amortised on a straight-line basis over the estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. Amortisation has been included for intangible assets with finite useful life. An intangible asset with an indefinite useful life are not amortised, however they are subject to impairment test. Test for impairment is done by comparing asset's recoverable amount with its carrying value, annually or when an indication exists. When an intangible asset is disposed off, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses. An intangible asset with indefinite useful life will be reviewed annually to check whether events and circumstances still support an indefinite useful life, if no longer indefinite, then change to finite useful life, accounted as change in accounting estimate.

Note 1.13 : Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost.

Note 1.14 : Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Note 1.15 : Employee benefits

Short-term obligations for wages and salaries, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting

period and are measured at the amounts expected to be paid when the liabilities are settled.

Note 1.16 : Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Form No. MGT- 12
Polling Paper
[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies
(Management and Administration) Rules, 2014]

SOWBHAGYA MEDIA LIMITED
(Regd. office: 4th Floor, Block-A, My Home Tycoon, Green Lands, Begumpet, Hyderabad, Telangana-500 016)

CIN: L51109TG1994PLC018800

BALLOT PAPER

S. No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolution at 24rd Annual General Meeting of the Company, held on Saturday 14th December 2019, at 4:00P.M at The Purple Leaf Hotel, 3-7-218, Kharkhana Road, VikaramPuri, Secunderabad, Telangana 500015, enumerated below by recording my assent or dissent to the said resolution in the following manner:

S. No	RESOLUTIONS	No. of Shares Held	FOR I/We assent to the Resolution	AGAINST I/We dissent to the Resolution
1.	Adoption of Audited Statement Balance sheet and Profit and Loss and Cash flow statement for the year ended March 31, 2019 together with the Schedules and Reports of the Board of Directors and the Auditors thereon.			
2.	To appoint Mr. Madhusudan Rao Madikonda (DIN: 01638593), who retires by rotation being eligible offers himself for reappointment			
3.	To consider an appointment of statutory Auditors of M/s KVSRY and Associates for the company.			
4.	To consider Appointment of Mr. Taraka Hari Hara Prabhu as director under Section 152(4) ,160 of the Companies Act, 2013			
5.	To consider Appointment of Mr. Surendra Prasad Narla under Section 152(4) ,160 of the Companies Act, 2013			
6.	To consider Appointment of Mr. Narla KotiKrishna under Section 152(4) ,160 of the Companies Act, 2013			
7.	To appoint Mr. Dasari Taraka Hari Hara Prabhu as the managing director pursuant to the provision of Section 196, 197, Schedule V of the Companies Act, 2013 and the rules made thereunder.			

Place:

Date: _____

Signature of the Shareholder)

SOWBHAGYA MEDIA LIMITED

Regd. office: 4th Floor, Block-A, My Home Tycoon, Green Lands, Begumpet, Hyderabad, Telangana - 500 016

CIN- L51109TG1994PLC018800

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 / 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 24th Annual General Meeting of the Company, to be held on Saturday, 14th

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, 2019 together with the Schedules and Reports of the Board of Directors and the Auditors thereon.		
2	To appoint Mr. Madhusudan Rao Madikonda (DIN: 01638593), who retires by rotation being eligible offers himself for reappointment		
3	To consider an appointment of statutory Auditors of M/s KVSRY and Associates for the company		
4	To consider Appointment of Mr. Taraka Hari Hara Prabhu as director under Section 152(4) ,160 of the Companies Act, 2013		
5	To consider Appointment of Mr. Surendra Prasad Narla as director under Section 152(4) ,160 of the Companies Act, 2013		
6	To consider Appointment of Mr. Narla KotiKrishna as director under Section 152(4) ,160 of the Companies Act, 2013		
7	To appoint Mr. Dasari Taraka Hari Hara Prabhu as the managing director pursuant to the provision of Section 196, 197, Schedule V of the Companies Act, 2013 and the rules made thereunder.		

Signed this _____ day of _____ 2019

Signature of the Shareholder

Signature of the proxy holder(s)

Affix Re.1/- Revenue Stamp

Signature of the Shareholder across

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 LIMIED

**Regd. office: 4th Floor, Block-A, My Home Tycoon, Green Lands, Begumpet, Hyderabad, Telangana - 500 016
CIN: L51109TG1994PLC018800**

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 24rd Annual General Meeting of M/s. Sowbhagya Media Limited held on
Saturday, 14th December, 2019, at 4:00P.M at The Purple Leaf Hotel, 3-7-218, Kharkhana Road,
VikaramPuri, Secunderabad, Telangana 500015

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. Physical copy of the Annual Report for the year ended 31stMarch, 2019 and Notice of the Annual General Meeting (AGM) along with attendance slip and proxy form is being sent to all the members
2. Physical copy of the Annual Report for the year ended 31stMarch, 2019 and Notice of the AGM along with the attendance slip and proxy form is sent.

EVEN (Electronic Voting Event Number)	User ID	Password

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

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

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

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

Let's be part of the Green Initiative.

Best Regards,

For Sowbhagya Media Limited

Sd/-

Madhusudn Rao Madikonda

Whole Time Director

DIN-01638593