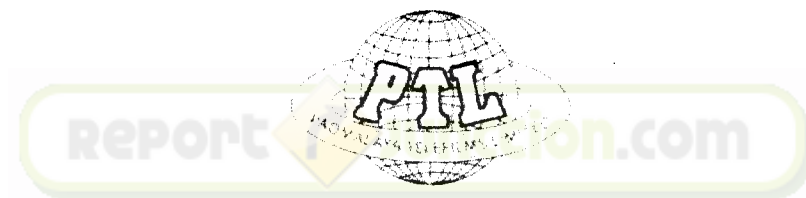


**18<sup>Th</sup>**  
**ANNUAL REPORT**  
**2008- 09**



*Padmalaya*  
TELEFILMS LIMITED

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TELEFILMS LIMITED



## Corporate Information

### Board of Directors

Bijay Kumar Khemka	-	Chairman
G.V. Narasimha Rao	-	Executive Director
S. Srinivasa Rao	-	Director - Works
Dr. D.V.N. Raju	-	Director
V. Srihari	-	Director
Bipin Damji Shah	-	Director

### Regd. & Administrative Office

Plot No.138, H.No. 8-3-222/1/23,  
Madhura Nagar, Yusuf Guda, Hyderabad - 38

### Auditors

M/s P. Murali & Co.,  
6-3-655/2/3,  
Somajiguda  
Hyderabad - 500 082

### Bankers

HDFC  
Allahabad Bank  
Corporation Bank

### Registrars & Share Transfer Agents

Karvy Computer Share Private Limited  
46, Avenue 4, Street No.1,  
Banjara Hills, Hyderabad - 500 034

### Listing

The Hyderabad Stock Exchange Limited  
The Stock Exchange, Mumbai  
The National Stock Exchange of India Limited, Mumbai



## NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of M/s. Padmalaya Telefilms Limited will be held on Wednesday, the 30<sup>th</sup> day of September 2009 at 9.30 AM at the State Gallery of Fine Arts, Road No.1, Kavuri Hills, Madhapur, Hyderabad-500 033 to transact the following business:

### ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2009 and Profit & Loss Account as on that date together with the Report of Auditors and the Report of Board of Directors thereon.
2. To appoint a Director in the place of Sri. Bijay Kumar Khemka who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Sri Bipin Dhamji Shah who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration by Passing the following Resolution :-

"RESOLVED THAT M/s P. Murali & Co., Chartered Accountants, Hyderabad be and are hereby reappointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting of the company at a remuneration to be fixed by the Board of Directors."

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT in accordance with the provisions of Section 94 and all other applicable provisions of the Companies Act, 1956, read with the Article No.6 of the Articles of Association of the Company, the existing Authorized Share Capital of the Company be and is hereby increased from Rs.15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs.10/- (Rupee Ten) each to Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupee Ten) each ranking *pari passu* with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Section 16 and all other applicable provisions, if any, of the Companies Act, 1956, the Clause V (i) of the Memorandum of Association of the Company be and is hereby altered by substituting the following new clause V (i) in place of the existing Clause V (i) thereof:

*V. The authorized share capital of the company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupee Ten) each. The Company has powers from time to time to increase or reduce its capital and also to cancel any uncalled capital.*

RESOLVED FURTHER THAT in accordance with the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Article 3 of the Articles of Association of the Company be and is hereby altered by substituting the following new Article 3 in place of the existing Article --3 thereof:

*3. The Authorized Share Capital of the Company is Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs. 10/- (Rupee Ten) each with powers to sub-divide, consolidate, increase and reduce the capital and to divide the shares in the capital for the time being into several classes and attach thereto respectively such preferential or special rights and privileges and conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."*



TELEFILMS LIMITED



6. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchange (s) and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), to offer, issue, allot and deliver 6,00,000

S. No.	Name of the Proposed Allottee	No. of Equity Shares to be allotted	Category
1.	Yamuna Enterprises Private Limited	6,00,000	Promoter

(Six Lakhs only) Equity Shares on preferential basis at a Price of Rs.10/- (Rupees Ten Only) per Equity Share to the following promoters/promoter group:

for cash which at a price of not less than the price as on "Relevant Date" determined in terms of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be 29th August, 2009.

#### RESOLVED FURTHER THAT

- The aforementioned allottee shall have to pay entire amount on the shares before the date of allotment of shares.
- Equity shares to be issued and allotted by the Company shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board do seek listing of the equity shares allotted at all the exchanges, where the equity shares of the Company are already listed or may be listed and at any other Stock Exchange(s) which the Board in its own discretion deems fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution above, the Board of Directors be and is hereby authorized to finalize and execute all documents, deeds and writings as may be necessary, which includes but not limited to preparing, executing and filing necessary applications / forms / returns / documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and / or such other statutory authorities as may be necessary from time to time and take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorized person (s) to give effect to the above resolution.

The Board / Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid."



TELEFILMS LIMITED



7. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchange (s) and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), to offer, issue, allot and deliver 6,35,000 (Six Lakhs Thirty Five Thousand only) Equity Shares on preferential basis at a Price of Rs. 10/- (Rupees Ten Only) per Equity Share to the following entity forming part of non-promoter category:

S. No.	Name of the Proposed Allottee	No. of Equity Shares to be allotted	Category
1.	Shakamuri holdings	6,35,000	Non Promoter

for cash which at a price of not less than the price as on "Relevant Date" determined in terms of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be 29th August, 2009.

#### RESOLVED FURTHER THAT

- The aforementioned allottee shall have to pay entire amount on the shares before the date of allotment of shares.
- Equity shares to be issued and allotted by the Company shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board do seek listing of the equity shares allotted at all the exchanges, where the equity shares of the Company are already listed or may be listed and at any other Stock Exchange(s) which the Board in its own discretion deems fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution above, the Board of Directors be and is hereby authorized to finalize and execute all documents, deeds and writings as may be necessary, which includes but not limited to preparing, executing and filing necessary applications / forms / returns / documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and / or such other statutory authorities as may be necessary from time to time and take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorized person (s) to give effect to the above resolution.

The Board / Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid."



TELEFILMS LIMITED



8. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchange (s) and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), to offer, issue, allot and deliver 6,35,000 (Six Lakhs Thirty Five Thousand only) Equity Shares on preferential basis at a Price of Rs. 10/- (Rupees Ten Only) per Equity Share to the following entity forming part of non-promoter category

S. No.	Name of the Proposed Allottee	No. of Equity Shares to be allotted	Category
1.	Lime Lights Media Tech Private Limited	6,35,000	Non Promoter

for cash which at a price of not less than the price as on "Relevant Date" determined in terms of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000:

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be 29th August, 2009.

#### RESOLVED FURTHER THAT

- The aforementioned allottee shall have to pay entire amount on the shares before the date of allotment of shares.
- Equity shares to be issued and allotted by the Company shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board do seek listing of the equity shares allotted at all the exchanges, where the equity shares of the Company are already listed or may be listed and at any other Stock Exchange(s) which the Board in its own discretion deems fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution above, the Board of Directors be and is hereby authorized to finalize and execute all documents, deeds and writings as may be necessary, which includes but not limited to preparing, executing and filing necessary applications / forms / returns / documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and / or such other statutory authorities as may be necessary from time to time and take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorized person (s) to give effect to the above resolution.

The Board / Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid."





9. To consider and thought fit, to pass with or without modification, the following resolution as a Special Resolution

"RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, read with the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/rules/guidelines issued by the Securities and Exchange Board of India (SEBI), Listing Agreement entered into with the Stock Exchange (s) and subject to such approvals, consents, permissions and sanctions of all other appropriate and/or concerned authorities and departments, if any, and subject to such conditions and modifications as may be prescribed by any of them in granting such approvals, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "Board" which term shall be deemed to include any Committee constituted/to be constituted by the Board to exercise

S. No.	Name of the Proposed Allottee	No. of Equity Shares to be allotted	Category
1.	Tabaja Entertainments Private Limited	6,30,000	Non Promoter

its powers including the powers conferred by this Resolution), to offer, issue, allot and deliver 6,30,000 (Six Lakhs Thirty Thousand only) Equity Shares on preferential basis at a Price of Rs. 10/- (Rupees Ten Only) per Equity Share to the following entity forming part of non-promoter category

for cash which at a price of not less than the price as on "Relevant Date" determined in terms of Clause 13.1.1 of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determining the issue price of warrants, in pursuance of SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be 29th August, 2009.

#### RESOLVED FURTHER THAT

- The aforementioned allottee shall have to pay entire amount on the shares before the date of allotment of shares.
- Equity shares to be issued and allotted by the Company shall rank pari-passu in all respects with the existing fully paid-up Equity Shares of the Company.

RESOLVED FURTHER THAT the Board do seek listing of the equity shares allotted at all the exchanges, where the equity shares of the Company are already listed or may be listed and at any other Stock Exchange(s) which the Board in its own discretion deems fit and necessary.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution above, the Board of Directors be and is hereby authorized to finalize and execute all documents, deeds and writings as may be necessary, which includes but not limited to preparing, executing and filing necessary applications / forms / returns / documents to the Registrar of Companies, Stock Exchange(s), National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and / or such other statutory authorities as may be necessary from time to time and take such steps and actions and give such directions as it may in its absolute discretion deem necessary and to settle any question (s), difficulty or doubt that may arise in this regard without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution and to delegate all or any of the powers to any Director (s) or authorized person (s) to give effect to the above resolution.

The Board / Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of securities as aforesaid.

for and on behalf of the Board of Directors

Place : Hyderabad  
Date 2<sup>nd</sup> September, 2009

(Bhim Kumar Khemka)  
Chairman



**Notes :**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES DULY STAMPED AND SIGNED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September 2009 to 30<sup>th</sup> September 2009 (both Days Inclusive) to ascertain the list of members for 18<sup>th</sup> Annual General Meeting.
3. The attendance slip is annexed to the proxy form, Members/proxies are requested to duly fill in and affix their signatures at the space provided therein and hand over the same at the entrance of the place of the meeting.
4. Members desiring any information on accounts are requested to write to the company at least seven days before the meeting so as to enable the company to keep the information ready and the Members/Proxies are requested to bring the copies of the Annual Report to the Meeting and the same will not be distributed at the meeting.
5. Explanatory Statement stating all the material facts relating to the aforesaid Special Business contained in notice pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

for and on behalf of the Board of Directors

Place : Hyderabad  
Date 2<sup>nd</sup> September, 2009

(Bijay Kumar Khemka)  
Chairman

**EXPLANATORY STATEMENT**

*Pursuant to Section 173(2) of the Companies Act, 1956*

**Item # 5**

The present Authorized Share Capital of the Company is Rs.15,00,00,000(Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty lakhs) Equity Shares of Rs.10/- (Rupee Ten) each.

It is now proposed to Increase the Authorized Share Capital to Rs.20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity Shares of Rs.10/- (Rupee Ten) each ranking pari passu with the existing Equity Shares of the Company. Increase of Authorized Share Capital of the Company requires the approval of members by way of an Ordinary Resolution pursuant to Section 94 of the Companies Act, 1956. Consequent to increase of Authorized Share Capital, the Articles of Association of the Company needs to be altered and which requires the approval of members by Special Resolution pursuant to Section 31 of the Companies Act, 1956. Hence the above resolutions are submitted to meeting for members' approval. The Board of Directors recommends the resolutions for your approval.

A copy of the present Memorandum and Articles of Association of the Company is available for inspection at the registered office in all working days during business hours up to the day of the meeting.

None of the Directors of the Company are concerned or interested except to the extent they may participate in the increase capital when issued and allotted by the Company.

**Item # 6:**

The members are informed that the global financial crisis has also affected the normal functioning of your Company. Your Directors with a view to mitigate the day to operational cost, to overcome the working capital crisis and also to strengthen the financial position, proposed to allot equity shares on preferential basis to Yamuna Enterprises Private Limited forming part of the promoter/promotes group. Accordingly, the Board recommend to create, offer, issue and allot 6,00,000 (Six Lakhs only) Equity Shares of Rs.10/- each fully paid-up.

The information as required under Clause 13.1A of the SEBI (Disclosure and Investor Protection) Guidelines 2000 for the preferential issue is as under:

**a) Object of issue:**

The object of the proposed preferential offer is to mitigate the day to operational cost, to overcome the working capital crisis and also to strengthen the financial position and other general corporate purposes of the Company.

**b) Intention to subscribe to the offer:**

Promoters/promoters group is intending to subscribe 6,00,000 (Six Lakhs) equity shares in one or more tranches such that they shall not acquire the voting rights so as to attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

**c) Shareholding pattern before and after the issue of Equity Shares on preferential basis:**

Given as annexure to this Explanatory Statement.

**d) Proposed time within which the allotment shall be completed**

The allotment of the Equity Shares shall be completed within 15 days from the date of passing of resolution in the Annual General Meeting. Provided that where the issue of Equity Shares on preferential basis is pending on account of pendency of any approval of such issue by any regulatory authority or the Central Government, the issue of Equity Shares shall be completed within 15 days from the date of such approval.

**e) Identity of proposed allottee(s) of Equity Shares and the percentage of the post-issue capital**

The proposed 6,00,000 Equity Shares are to be issued to Promoters/Promoters Group as mentioned elsewhere in this notice/explanatory statement in the ratio mentioned in the aforementioned resolution.

**f) Change in the composition of the Board of Directors and control of the Company**

There will not be any change in the composition of the Board of Directors and control of the Company on account of the proposed preferential issue of warrants.

**g) Non-transferability of the securities**

The Equity Shares allotted on a preferential basis shall be locked-in for a period as per the provisions of Clause 13.3.1 of the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

**h) Price at which allotment is proposed**

The aforesaid Equity Shares are proposed to be issued at a price of not less than Rs.10/-, which is the price determined by considering 29<sup>th</sup> August, 2009 as the Relevant Date determined as per the