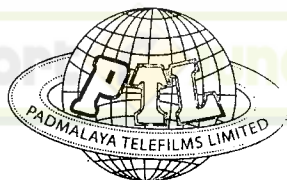


17Th
ANNUAL REPORT
2007- 08



Padmalaya
TELEFILMS LIMITED

CONTENTS

Page No.

NOTICE TO THE MEMBERS.....	3
DIRECTOR'S REPORT.....	5
REPORT ON CORPORATE GOVERNANCE.....	7
AUDITOR'S REPORT.....	15
BALANCE SHEET.....	18
PROFIT & LOSS ACCOUNT.....	19
SCHEDULES.....	20
CASH FLOW STATEMENT.....	28
BALANCE SHEET ABSTRACT.....	32



Corporate Information

Board of Directors

Bijay Kumar Khemka	-	Chairman
G.V. Narasimha Rao	-	Executive Director
S. Srinivasa Rao	-	Director - Works
Ajithan G. Kurup	-	Director
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 N.G Rao & Associates
H.No.6-3-1186/A/6, (New No.325)
II Floor, Chinna Balreddy Building,
Begumpet, Hyderabad - 16

Bankers

HDFC
AXIS Bank
Allahabad Bank
Vijaya 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 17th Annual General Meeting of M/s. Padmaalaya Telefilms Limited will be held at the State Gallery of Fine Arts, Road No. 1, Kavuri Hills, Madhapur, Hyderabad-500 033 at 9.30 a.m. on Monday, the 29th day of September 2008 to transact the following business:

ORDINARY BUSINESS

1. To Receive, Consider and Adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account as on that date and the together with the Report of Auditors and the Report of Board of Directors thereon.
2. To appoint a Director in the place of Sri. V.Srihari who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Dr.D.V.N.Raju who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification the following Resolution as an Ordinary Resolution :-

"WHEREAS a Special Notice has been received pursuant to Section 225(1) of the Companies Act, 1956 from Shareholders for the appointment of M/s P. Murali & Co., Chartered Accountants, in place of the retiring Auditors, namely M/s. N. G. Rao & Associates, Chartered Accountants.

NOW THEREFORE IT IS RESOLVED that M/s P. Murali & Co., Chartered Accountants, Hyderabad be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company"

By Order of the Board of Directors

(Bijay Khemka)
Chairman

Place : Hyderabad
Date 3rd September, 2008



TELEFILMS LIMITED



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 26th September 2008 to 29th September 2008 (Both Days Inclusive) to ascertain the list of members for 17th Annual General Meeting.
3. THE RELATIVE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS SET OUT ABOVE, AS REQUIRED BY SEC.173 (2) OF THE COMPANIES ACT, 1956 IS ANNEXED HERETO.
4. 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.
5. 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.

By Order of the Board of Directors

Place : Hyderabad

Date 3rd September, 2008

(Bijay Khemka)

Chairman

ANNEXURE TO THE NOTICE - EXPLANATORY STATEMENT

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

ITEM NO. 4

The retiring auditors, namely, M/s. N.G. Rao & Associates, Chartered Accountants have expressed their unwillingness to re-appoint and that a Special notice in terms of Section 190 of the Companies Act, 1956 read with Section 225 of the Act has also been received from Shareholders of the Company for the appointment of new Auditors in place of the retiring auditors M/s. N.G. Rao & Associates, Chartered Accountants. The Company has forthwith communicated to the retiring auditors of the Special Notice and that the retiring auditors have made no representation against the said special notice. A written certificate has been obtained from M/s P. Murali & Co., Chartered Accountants to the effect that in case of their appointment as Auditors of the Company, the appointment will be in accordance with the limits prescribed under Section 224 (1B) of the Act.

Your directors recommended the Resolution for any approval.

None of the Directors is concerned or interested in this resolution

Additional information required to be furnished as per the Listing Agreement.

1. Brief profile of Sri V.Srihari, who retires by rotation and eligible for re-election.

Sri V.Srihari, aged about 54 years, has a bachelor degree in commerce and is a Chartered accountant and a Fellow Member of the institute of chartered accountants of India. He is having rich and vast Experience in the profession and he has served in private sector organization and government sector organizations for more than 34 years in various business segments like commercial banking, investment banking, operational management, corporate finance and strategies. He has worked as chief of finance, accounts and administration

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

Dr.D.V.N.Raju, aged about 68 years, is a Doctor by profession and holds M.B.B.S., from Andhra University and also pursued his Masters Degree in D.V.(M.S) from Madras University. In addition to the medical practice, he was the Executive Producer and also the Member of the Production Committee. He has also produced more than 20 feature films in his career.



Directors' Report

Your Directors have pleasure in presenting the 17th Annual Report on the business of your company and the Audited Statements of Accounts for the year ended on 31st March 2008 thereof. The Business and operations of the company over the last fiscal year are briefly encapsulated below:

Financial Results

(Rs. In Lakhs)

Particulars	Year Ended 31 st March 2008	Previous ended On 31 st March 2007
Turn Over	1,663.99	1,468.07
Profit after Tax	(1,929.60)	(3,465.76)
Add: Profit brought Forward from last year	(5,067.43)	(1,601.40)
Profit Available for Appropriation	(6,997.03)	(5,067.43)

Business Performance Review

During the year under review your company's performance is not encouraging due to paucity of funds delayed in implementing the proposed business activities.

Out look for the current year

Your Directors wish to inform that due to the set back in the previous years; reviewed all business divisions and under taken a substantial re-organizing, restructuring exercise of its total divisions. To strengthen its stand in the market, the company has been concentrating in activities like multimedia training, and Digitalisation of the theaters and Film Production tie ups with experts in the business hoses.

Statutory Disclosures

Conservation of Energy and Technology Absorption

The company is not engaged in manufacturing activities, and as such the particulars relating to conservation of energy and technology absorption are not applicable. The company makes every effort to conserve energy as far as possible in its editing facilities, Production Floors, Office etc

Foreign Exchange Earnings and Outgoings.

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

Particulars of Employee's Remuneration and Industrial Relations

There are no employees whose particulars, pursuant to Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975, are to be disclosed. Industrial relations in the company were very cordial and stable.

Public Deposits

Your company has not accepted any deposits from the public during the year under review and there are no outstanding deposits as on 31st March, 2008.

DIRECTORS:

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

AUDITORS

M/s. P. Murali & Co., Chartered Accountants, are appointed as Auditors of the company in place of M/s. N.G. Rao & Associates, Chartered Accountants the retiring Auditors, who expressed their inability to continue as Auditors of the Company.



CORPORATE GOVERNANCE

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

The company has received the Communication from M/s Padmalaya Enterprises Private Limited, Promoter share holder of the company that the name of the company has changed to M/s Yamuna Enterprises Private Limited.

CORPORATE GOVERNANCE

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

The company has received the information from Padmalaya Enterprises Private Limited, major share holder the name of the company has changed to Yamuna Enterprises Private Limited. Further the company stated the equity holding of Zee Telefilms Limited has sold their stake to Green Chillies Private Limited.

As per the understanding among the promoters of the company that their stake has transferd to Yamuna Enterprises Private Limited (formerly Padmalaya Enterprises Private Limited) and there are no other promoters except Yamuna Enterprises Private Limited

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS RESPONSIBILITY STATEMENT

We the Directors confirm,

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same :
- That we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period
- That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- That we have prepared the annual accounts on a Going concern basis.

HUMAN RESOURSE

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

Company has taken initiative to appoint Qualified Company Secretary to comply with the provision of Section 383 of the companies Act, Listing Agreement. The Efforts of the company was not fruitful, however company is availing the services from Practicing Company Secretary.

ACKNOWLEDGEMENTS

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

By Order of the Board of Directors

Place : Hyderabad
Date 3rd September, 2008

(Bijay Khemka)
Chairman

REPORT ON CORPORATE GOVERNANCE

Padmalaya Telefilms Limited is committed to the standards of corporate governance in all activities.

Pursuant to Clause 49 of the Listing Agreement, your directors present below a detailed Report on Corporate Governance.

1. Company's Philosophy on code of Governance

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

2. Board of Directors

a. Composition of the Board

The Number of the Directors is 7 with 2 Executive and 5 Non Executive Directors. The Executive Director is from the promoter category, Director Works is from non promoter category and the remaining Non-Executive Directors are professional / independent. The professional / independent Directors are drawn from persons with experience in Business, Finance, Management, Marketing and Industry.

b. Other Directorship / Committee Memberships held :-

S. No.	Name of Director	Category	Designation	Director Ship held in other	
				Director	Committee Member
1	Bijay Khemka	Independent	Chairman	Nil	Nil
2	G.V.Narasimha Rao	Promoter Executive	Executive Director	1	Nil
3	S.Srinivasa Rao	Non Promoter Executive	Director- Works	2	Nil
4	Ajithan G Kurup	Independent	Director	1	Nil
5	V.Srihari	Independent	Director	Nil	Nil
6	Dr D.V.N.Raju	Independent	Director	1	Nil
7	Bipin Damji Shah	Independent	Director	2	Nil

c. Board Meetings held During the Year

S.No	Date of Board Meeting
1	30/06/2007
2	31/07/2007
3	31/08/2007
4	31/10/2007
5	31/01/2008

d. Attendance of Directors at board Meetings and Last Annual General Meeting :

Name of The Director	No OF Board Meetings Attended	Attendance at Last AGM
Bijay Khemka	4	Yes
G.V.Narasimha Rao	4	Yes
S.Srinivasa Rao	5	Yes
Ajithan G Kurup	0	No
V. Srihari	2	No
Dr D.V.N. Raju	5	Yes
Bipin Damji Shah	3	Yes

1. Audit Committee

a) Terms of Reference

The Audit Committee Provides the Board with additional Assurance as to the adequacy of the Company's internal control systems and financial disclosures. The Audit committee acts as a link between the Management, Statutory Auditors, and the Board of Directors. The composition, powers and functions of the Audit committee meet the requirements of the Listing Agreement and Section 292 A of the Companies Act, 1956. The Broad terms of reference of the Audit committee are to review with the Management and/or and/or Statutory Auditors in the following areas.

- I. Overview of Company's financial reporting process and financial disclosures.
- II. Review with Management, external and internal audits, the adequacy of internal control systems.
- III. Review the adequacy and effectiveness of accounting and financial controls of the company, compliance with the company's policies and applicable laws and regulations.
- IV. Review with Management, the Annual financial statement before submission to the Board.
- V. Recommending the appointment/removal of external auditors, fixation of Audit fees.

b) Composition, names of the members and chairman

The Audit Committee of the Company re-constituted during the year comprises three members; all are "Independent" Non-Executive Directors. Audit Committee constituted as below.

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

4. Meetings and Attendance during the year

Name of Director	No. of Meetings held	No. of Meetings Attended
V.Srihari	5	2
Bijay Kumar Khemka	5	4
Dr D.V.N. Raju	5	5

5. Remuneration Policy

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

The Company has a Remuneration Committee comprises as follows

- Agithan. G.Kurup - Chairman
- Dr D.V.N. Raju - Member
- Bijay Khemka - Member

Details of Remuneration to the Executive Directors paid/ payable for the financial year 2007-08 is as follows
Rs.lakhs

Particulars	G.V. Narasimha Rao Executive Director	S.Srinivasa Rao Director - Works
Salary	6.00	3.15
HRA	0.90	—
Total	6.90	3.15

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

1. Share Holders /Investors Grievance Committee

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

In Pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (Duty Amended), the Board has approved the "Code of Conduct for Prevention of Insider Trading" and authorized the Committee to implement and monitor the various requirements as set out in the code.

The Board has designated the Executive director, as the Compliance Officer.

a) The function of the Committee include:

To specifically look into redressing investor's grievance pertaining to:

1. Transfer of shares
2. Dividend
3. Dematerialisation of Shares
4. Replacement of lost/stolen/mutilated share certificates.
5. Non-receipt of rights/bonus/split shares certificates
6. Any other related issues

b) Constitution and composition

The committee was constituted with three directors under the Chairmanship of Non Executive Director as follows

Agithan. G.Kurup	-	Chairman
Dr D.V.N.Raju	-	Member
Bijay Khemka	-	Member

Mr. R. Mahipal Reddy is acting as compliance officer

2. Investor Complaints Received and resolved during the Year 2007-2008

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