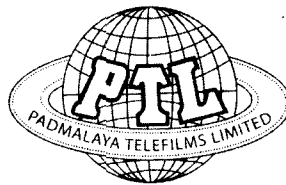


20th
ANNUAL REPORT
2010 - 11



Padmalaya
TELEFILMS LIMITED

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Corporate Information

Board of Directors

Sri. Bijaya Kumar Khemkha	-	Chairman
Sri. G.V.Narasimha Rao	-	Executive Director
Sri. S.Sreenivasa Rao	-	Director Works
Dr. D.V.N.Raju	-	Director
Sri. V.Srihari	-	Director
Sri. Bipin Dhamji 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.,
Chartered Accountants
6-3-655/2/3
Somaji Guda
Hyderabad - 500 082

Bankers

HDFC Bank Limited
Allahabad Bank
Corporation Bank
ING Vysya Bank Limited

Share Transfer Agents

Karvy Computer Share Pvt. Ltd.
(Unit Padmalaya Telefilms)
46, Avenue 4, Banjara Hills,
Hyderabad - 500 034.
Ph : 040-23312454/23320251
Fax: 040-23311963/23323049

Listing

The Bombay Stock Exchange Limited, Mumbai
The National Stock Exchange Limited, Mumbai

NOTICE

Notice is hereby given that the 20th Annual General Meeting of M/s. Padmalaya Telefilms Limited will be held on Friday, the 30th day of September 2011 at 9.30 AM at 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 31st March, 2011 and Profit & Loss Account as on that date and 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 Khemkha who retires by rotation and being eligible offers himself for reappointment.
3. To Oppoint a Director in place of Sri. Bipin Dhamji Shah who retires by rotation and expressed his unwillingness for re oppintment.
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 appointed 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 in place of the existing Statutory Auditors."

SPECIAL BUSSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the "Act") and all other applicable laws and regulations including the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, any statutory modification(s) or re-enactment thereof, for the time being in force and such other statutes, notifications, clarifications, circulars, rules and regulations as may be applicable and relevant, as amended from time to time, if any, issued by the Government of India (the "GOI"), the Securities and Exchange Board of India (the "SEBI"), the Reserve Bank of India (the "RBI"), Stock Exchanges and any other appropriate authorities, institutions or bodies, as may be applicable and the provisions in the Memorandum and Articles of Association of the Company and Listing Agreements entered into by the Company with the stock exchanges where the shares of the Company are listed, and any other applicable laws, rules and regulations (including any amendment thereto or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions and sanctions, if any, of the GOI, RBI, SEBI, Stock Exchanges and any other relevant statutory, governmental authorities or departments, institutions or bodies (the "Concerned Authorities") in this regard, as may be required and applicable and further subject to such terms and conditions or modifications thereto as may be prescribed or imposed by any of the Concerned Authorities while granting such approvals, and permissions as may be necessary or which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any committee constituted by the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, issue, offer and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons including employees of the Company as may be permitted), Equity Shares and/or Equity Shares through depository receipts including American Depository Receipts, Global Depository Receipts and/or Convertible Bonds, Convertible Debentures, fully or partly, and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to Equity Shares and/or securities with or without detachable/non-detachable warrants and/or warrants with a right exercisable by the warrant-holder to subscribe for Equity Shares and/or any instruments or securities representing either Equity Shares, secured premium notes, and/or any other financial instruments which would be converted into/ exchanged with Equity Shares at a later date (the "Securities") as the Board at its sole discretion or in consultation with underwriters, merchant bankers, financial advisors or legal advisors may at any time decide, by way of one or more public, follow-on, preferential issues or private offerings in domestic and/or one or more international market(s), with or without a green shoe option, or private placement or issued/allotted through Qualified Institutions Placement in accordance with the Guidelines for "Qualified Institutions Placement" prescribed under

Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as amended, or by any one or more or a combination of the above model/methods or otherwise and at such time or times and in one or more tranches, whether rupee denominated or denominated in foreign currency, to any eligible Qualified Institutional Buyers including Foreign Institutional Investors, resident/ non-resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Venture Capital Funds (foreign or Indian), Indian and/or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, stabilizing agents and/or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") whether or not such Investors are members of the Company as may be deemed appropriate by the Board and permitted under applicable laws and regulations, resulting in the issue of an aggregate amount not exceeding Rs.200 Crores (Rupees Two Hundred Crores) or equivalent thereof and on such terms and conditions and timing of the issue(s)/offering(s) including the Investors to whom the Securities are to be issued, issue price, number of Securities to be issued, creation of mortgage/ charge in accordance with Section 293(1)(a) of the Companies Act, 1956 in respect of any Securities as may be required either on *pari-passu* basis or otherwise, the stock exchanges on which such Securities will be listed, finalization of allotment of the Securities on the basis of the subscriptions received, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity share to be allotted on redemption/conversion, the ratio, period of conversion, fixing of record date or book closure dates, and any other matter in connection with, or incidental to, the issue, in consultation with the merchant bankers or other advisors or otherwise, as the Board at its sole discretion may decide together with any amendments or modifications thereto.

RESOLVED FURTHER THAT the Securities to be created, issued, offered and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and the equity shares allotted in terms of this resolution shall rank *pari passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT without prejudice to the generality of the above, subject to applicable laws and subject to approval, consents, permissions, if any of any governmental body, authority or regulatory institution including any conditions as may be prescribed in granting such approval or permissions by such governmental authority or regulatory institution, the aforesaid Securities may have such features and attributes or any terms or combination of terms that provide for the tradability and free transferability thereof in accordance with the prevailing practices in the capital markets including but not limited to the terms and conditions for issue of additional Securities and such of these Securities to be issued as are not subscribed may be disposed of by the Board in such manner and/or on such terms including offering or placing them with banks/financial institutions/ mutual funds or otherwise, as the Board may deem fit and proper in its absolute discretion, subject to applicable laws, regulations and guidelines.

RESOLVED FURTHER THAT without prejudice to the generality of the foregoing, the Board be and is hereby authorized to prescribe with respect to the aforesaid issue of the Securities all or any of the terms or any combination of terms thereof in accordance with local and/or international practice including but not limited to conditions in relation to the offer, issue and allotment of the Securities, payment of interest, dividend, premium and redemption or early redemption of Securities, debt service payments and any other payments whatsoever, voting rights and all such terms as are provided in domestic and/or international offerings of this nature including terms for such issue, or variation of the price or period of conversion of any Securities into Equity Shares or issue of Equity Shares during the duration of the Securities or terms pertaining to early redemption of Securities and/or conversion into Equity Shares as the Board may in its sole discretion deem appropriate.

RESOLVED FURTHER THAT the Board be and are hereby authorised to do such acts, deeds and things as they, in its absolute discretion, may deem necessary or desirable in connection with the issue of the Securities and to give effect to these resolutions, including, without limitation, the following:

- (i) seeking, if required, the consent of the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in or outside India, and any other consents that may be required in connection with the issue and allotment of the Securities;
- (ii) giving or authorizing the giving of such undertakings, declarations, affidavits, certificates, consents and authorities as may be required from time to time by concerned persons; and
- (iii) Settling any questions, difficulties or doubts that may arise in regard to any such issue or allotment of Securities as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and any offer, issue and allotment of Securities, the Board be and is hereby authorized to take all such actions, give such directions and to do all such acts, deeds and things as may be necessary, desirable or incidental thereto and matters connected therewith including without limitation the entering into of arrangements/agreements for underwriting, marketing, listing of Securities, trading, appointment of Lead Manager(s), Advisor(s), Registrar(s), paying and conversion agent(s) and any other advisors, professionals and intermediaries and all such agencies as may be involved or concerned in such offerings of Securities and to issue and sign all deeds, documents, instruments and writings and to pay any fees, commission, costs, charges and other outgoings in relation thereto and to settle all questions whether in India or abroad, for the issue and to do all requisite filings with SEBI, the stock exchanges, the GOI, the RBI, if required and any other concerned authority in India or outside, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the issue, and to give such directions that may be necessary or arise in regard to or in connection with any such offer, issue or allotment of Securities and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board shall be binding on all members.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolutions and any offer, issue and allotment of Securities, the Board hereby constitutes a Special Committee of the Board named the "Issue Committee" and further delegates all or any of the powers herein conferred to give effect to the aforesaid resolutions to the Issue Committee and further authorizes the Issue Committee to take all such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of equity shares including but not limited to:

- (a) To decide on the timing, pricing and all the terms and conditions of the issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- (b) Approving the offer document and filing the same with the any authority or persons as may be required;
- (c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;
- (d) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of equity shares by the Company;
- (e) Opening such banks accounts and demat accounts as may be required for the transaction;
- (f) To do all such acts, deeds, matters and things and execute all such other documents and pay all such fees, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions;
- (g) To make all such necessary applications with the appropriate authorities and make the necessary regulatory filings in this regard;
- (h) Making applications for listing of the equity shares of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s); and

To authorize or delegate all or any of the powers herein above conferred to any or more persons, if need be."

6. Appointment of Sri. S. Sreenivasa Rao as whole time director.

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

"RESOLVED THAT pursuant to Section 269, and Schedule XIII and other applicable provisions, if any of the Companies Act, 1956 subject to approval of the Share holders Sri. S. Sreenivasa Rao be and is hereby re-appointed as whole time Director and designated as Director – Works of the Company, for a further period of 5 years with effect from 01.09.2011 at a gross remuneration of Rs. 45,000/- (Rupees Forty Five Thousand only) per month.

"REVOLVED FURTHER THAT the remuneration as set out in this resolution including benefits, amenities and perquisites shall be allowed and paid to the Whole Time Director as Minimum remuneration during the tenure of his office, notwithstanding the absence or inadequacy of profits for any financial year, but shall not, in any such financial year, exceed the ceiling laid down in this behalf in Schedule XIII to the Companies Act, 1956 including amendments made thereto from time to time."

By Order of the Board of Directors

Place : Hyderabad
Date : 1st September, 2011

(Bijay 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 26th September 2011 to 30th September 2011 (Both Days Inclusive) to ascertain the list of members for 20th 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.

EXPLANATORY STATEMENT

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

Item No. 5

The resolution contained in the business of the Notice relates to a proposal by the Company to create, offer, issue and allot Equity Shares, GDRs, ADRs, Convertible Bonds/Debentures and such other securities as stated in the resolution (the "Securities") at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board in one or more tranche or tranches. The Company intends to make issue of an aggregate amount not exceeding Rs.200 Crores or equivalent thereof.

a. Object of the Issue

This issue is to meet expansion, potential acquisitions, long term working capital and capital expenditure requirements of the Company and its subsidiaries, acquisition of companies, businesses and projects, and other general corporate purposes.

b. Proposal of the subscribers of the issuer to subscribe to the offer

The detailed terms and conditions for the offer will be determined by the Board/Issue Committee of the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

The detailed terms and conditions for the offer will be determined by the Board/Issue Committee of the Board in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law and other relevant factors.

As the pricing of the offering cannot be decided except at a later stage, it is not possible to state the price or the exact number of Equity Shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalize the terms of the issue.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion would be subject to the availability of regulatory approvals, if any. The conversion of other Specified Securities held by foreign investors, into shares would be subject to the applicable foreign investment cap.

Section 81(1) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down. As the aforesaid resolution provides for or may result in issue of Equity Shares to persons other than the existing shareholders of the Company, consent of the shareholders is being sought pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

The Special Resolution as set out above, if passed, will have the effect of allowing the Board to issue and allot Securities to Investors, who may or may not be existing shareholders of the Company in the manner as set out in the resolution. The said resolution also enables the Board to create mortgage/ charge on the property/ assets of the Company in respect of any debt securities offered by the Company.

The Board recommends passing of the special resolution, for this purpose.

All the Directors is concerned or interested in the resolution.

Item No. 6

Sri. S. Sreenivasa Rao is a Diploma Holder in Mechanical Engineering. He has been associate with media and entertainment since 1993. He is being contributed to the company in the segments of Post Production and Production of Films. He is involved in setting up the animation studio and co ordinate for Television Serials.

Sri S. Sreenivasa Rao, Director of the company subject to the approval of the share holders was re-appointed as Director – Works of the company by the Board of Directors at their meeting held on 01.09.2011, keeping in view of increases of operations and considering his experience in the industry, it is proposed to re-appoint him as Whole Time Director and designate him as Director – Works pursuant to schedule XIII of the Company's Act, 1956 read with other relevant provisions, the re-appointment for a further period of 5 years w.e.f. 01.09.2011 and the payment of remuneration to Sri. S. Sreenivasa Rao requires your approval.

Hence the resolution as set out above is proposed approval of share holders.

Your Directors recommend the resolution for your approval.

None of the Director except Sri. S. Sreenivasa Rao is interested in the said resolution.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED AS PER THE LISTING AGREEMENT.

1. Brief profile of Sri Bija Kumar Khemka who retires by rotation and eligible for re-election.

Sri. Bijay Khemka, aged about 60 years, having Vast in Motion Picture Production and Distribution, he has distributed more than 100 Hindi Films and 25 Bengali films in eastern Circuit. Sri Bijay Khemka has produced the Biggest Bengali Hit film "Beder Meya Joshna". Is the former Senior Vice-President of Easter India Motion Pictures Association of Easter India Motion Pictures Association.

By Order of the Board of Directors

Place : Hyderabad

Date 1st September, 2011

(Bijay Kumar Khemka)
Chairman

Directors' Report

To
The Members

Your Directors have pleasure in presenting the 20th Annual Report on the business of your company and the Audited Statements of Accounts for the year ended on 31st March 2011 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 2011	Previous ended on 31 st March 2010
Turn Over	218.42	178.61
Profit / (Loss) Before Depreciation, Tax & Prior Period Adj.	61.22	(16.30)
Profit / (Loss) after Tax & Before Prior Period Adjustments	(216.34)	(294.60)
Profit / (Loss) after Tax & Prior Period Adjustments	(231.14)	(49.52)
Add: Profit/(Loss) brought Forward from last year	(6,368.15)	(6,318.63)
Profit / (Loss) Carried forward to Balance Sheet	(6,599.29)	(6,368.15)

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, the Company has reviewed all its 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.

Dividend

Due to inadequacy of profits, the Board could not recommend dividend during the year under review.

STATUTORY DISCLOSURES

ADDITIONAL INFORMATION REQUIRED UNDER SECTION 217(1)(E) OF THE COMPINES ACT 1956

Conservation of Energy

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

Conservation of Energy and Technology Absorption

The company is not engaged in manufacturing activities, and as such the particulars relating to Research, Development and technology absorption are not applicable.

Foreign Exchange Earnings and Outgoings.

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

Particulars of Employees

There are no employees whose particulars are required to furnish under Section 217(2A) of the Companies Act 1956, read with Companies (Particulars of Employees) Rules, 1975, are to be disclosed.

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, 2011.

DIRECTORS:

Among Sri. Bijay Kumar Khemkha & Sri. Bipin Dhamji Shah Directors of the company, whose period of office is determined by retirement by rotation at this Annual General Meeting, Sri. Bijay Kumar Khemkha expressed his willingness to be re-appointed and Sri. Bipin Dhamji Shah has not opted for re-appointment. Sri. S. Sreenivasa Rao be and is hereby re-appointed as whole time Director and designated as Director – Works of the Company, for a further period of 5 years with effect from 01.09.2011.

AUDITORS

M/s.P. Murali & Co., Chartered Accountants retires at the conclusion of the Annual General Meeting and are eligible for re-appointment as Statutory Auditors of the company. The Board recommends the appointment of M/s. P. Murali & Co. Chartered Accountants, as Statutory Auditor for the period from the Conclusion of this Annual General Meeting to Next Annual General Meeting.

REPLY TO AUDITORS QUALIFICATIONS

The Board has furnished the following in respect of the qualification by the Auditors:

- Management is in the process of re-negotiating of OTS with the HDFC bank. A detailed note was given in the point no 14 of Notes to the accounts.
- The Management is putting its full efforts to regularize the payments to the statutory authorities in time.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS RESPONSIBILITY STATEMENT PERSUENT TO SECTION 217 (2AA) OF THE COMPANIES ACT:

We the Directors confirm.

- a. 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 :
- b. 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
- c. 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.
- d. That we have prepared the annual accounts on a Going concern basis.

HUMAN RESOURCE EMPLOYEE RELATIONS

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. The relationship with the employees continues to be cordial.

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

Place : Hyderabad

Date 1st September, 2011

(Bijay Kumar Khemka)
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Media and Entertainment Industry:

As per the PwC report, 2010 saw the global economy begin to recover from its steep decline in 2009 and these improved economic conditions have played a major role in the recovery of overall E&M spending which rose by 4.6%. Over the next five years we forecast that aggregate E&M global spending will rise to \$1.9 trillion in 2015, a 5.7% compound annual advance driven by economic growth, but masking the accelerating shift of spending from traditional to digital platforms.

Get an insight into our forecasts and viewpoints for 2011, take a walk through the Outlook's extensive online functionality, and find out which subscription option suits you best, all via these pages.

Television Industry:

Television Industry in India has gained new momentum due to liberalization and enhanced enthusiasm shown by the broadcasters to seize a huge share of the entertainment and media industry. In 2010, the television industry stood at a staggering US\$ 6.5 billion, a rise of 15.6 per cent over 2009 estimate of US\$ 5.7 billion. The industry is projected to grow at a CAGR of 16 per cent to US\$ 13.9 billion by 2015.

Growth of TV channels: The total number of TV channels (both private and government owned) grew from 461 in 2009 to 626 in January 2011. The number of News and Current Affairs channels was 312 and that of Non-News and Current Affairs channels was 314 up till January 2011.

Motion Pictures :

The Indian Film Industry stood US\$ 1.9 billion in overall industry revenues in 2010, indicating a decline of 6.7 per cent with respect to 2009. The industry is expected to grow at a CAGR of 9.6 per cent and reach US\$ 2.6 billion in 2014. The key growth drivers for the sector would include expansion of multiplex screens resulting in better realisations, an increase in the number of digital screens facilitating wider releases, higher cable and satellite revenues, improving collections from the overseas markets and ancillary revenue streams like DTH, digital downloads, etc, which are expected to emerge in future.

SCOT ANALYSIS

Strength

- Software Library
- Good sum of animation themes.
- Strong presence southern part of India
- Film production, Marketing & Distribution of films
- Existence in the market by the key personnel by ,more than 35 years in the industry..

Challenges

- To over come of working capital paucity.
- To regain the market confidence.

Opportunities

- Excellent brand image.
- Good market contacts and well aware of the company.
- Expand presence in digital cinemas

Threats

- Cut throat Competition
- Piracy
- Change in Government Policies
- Availability of suitable manpower and man power cost