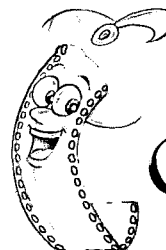
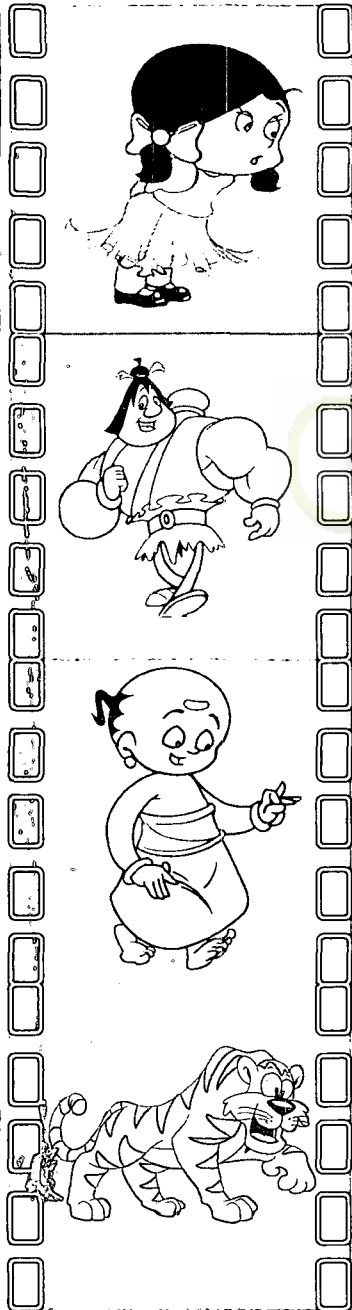
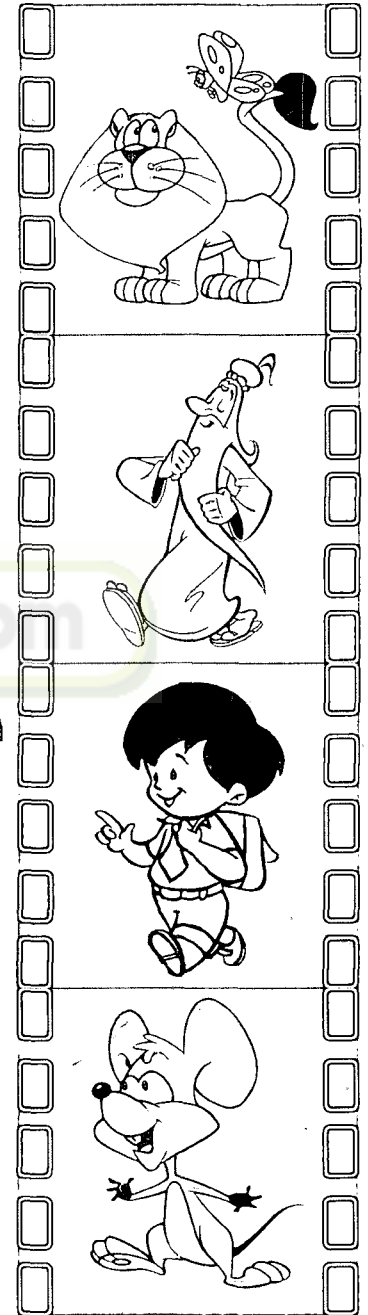
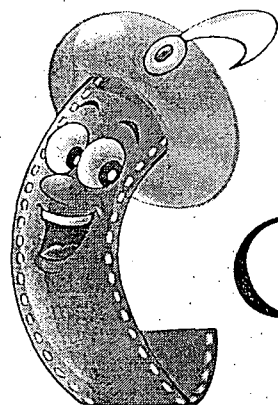


2006-2007

# 17th ANNUAL REPORT



COLORCHIPS  
INDIA LIMITED



**COLORCHIPS  
INDIA LIMITED**

**17<sup>th</sup> ANNUAL REPORT  
2006-07**

**Board of Directors:**

|                      |          |
|----------------------|----------|
| Y. Surya Narayana    | Director |
| William Bill Buck    | Director |
| Y. Kasipathy         | Director |
| Kch. A.V.S.N. Murthy | Director |
| Dr. Chandra Bhushan  | Director |
| B.Kishan Rao         | Director |

**Registered Office:**

Plot no.16 Road no.5  
Jubilee Hills  
Hyderabad-500033

**Auditors:**

M.S.S.PRASAD & COMPANY  
ATTAPUR  
HYDERABAD

**Registrars (Physical and Electronic)**

M/S Venture Capital and Corporate Investments Limited,  
12-10-167, BHARAT NAGAR  
Phone: 040 - 23818475/23818476  
Fax: 040 - 23868024



### NOTICE

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the members of the company is scheduled to be held on 13<sup>th</sup> day of December 2007 at 9.00 AM at the Registered office situated at Plot no.16, Road no.5, Jubilee Hills Hyderabad to transact the following business:

#### **AS ORDINARY BUSINESS**

To receive, consider and adopt the Balance Sheet as an 30<sup>TH</sup> June 2007, and the Profit and Loss Account for the year ended 30<sup>TH</sup> June, 2007 and the Reports of Board of Directors and Auditors thereon.

1. To appoint a Director in place of Mr. K.ch.A.V.S.N.Murthy who retires by rotation and being eligible offers himself for re-appointment..
2. To appoint a S.N.Murthy&co as Auditors of the Company in place of M/s.M.S.S.Prasad &Co from the conclusion of this meeting until the conclusion of the next Annual General Meeting on a remuneration to be fixed by the Board of Directors of the company in addition to actual out-of-pocket expenses incurred by them for the purpose of audit.

Report  Junction.com

**AS SPECIAL BUSINESS:**

3. To consider, and if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of section 257 of the Companies Act, 1956 Mr.B.kishan Rao be and is hereby appointed as a whole time Director of the Company liable to retire by rotation".

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

"RESOLVED that pursuant to the section 21 and all other applicable provisions of the companies act 1956 ,and subject to the approval of the Central Government the name of the company be and is hereby changed from COLOR CHIPS INDIA LIMITED to CCIL Animation Limited".

"Resolved further that the name "COLORCHIPS INDIA LIMITED" wherever it occurs in the Memorandum and Articles of Association of the company and at all such other places be substituted by the new name "CCIL ANIMATION LIMITED".

Report  junction.com

By Order of the Board

Hyderabad

(Y.Surya Narayana)

November10, 2007

Director

**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not to be a member. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than Forty-Eight Hours before the commencement of the Meeting.
2. Members seeking any information with regard to Annual Accounts are requested to write to the Company at least one week in advance, so as to enable the Company to keep information ready.
3. The Register of Members and Share Transfer Books of the Company will remain closed on .
4. Members are requested to notify changes in their address, if any, to Venture Capital & Corporate Investments Limited (Unit: Color Chips).

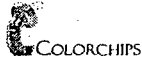
Hyderabad

November 10, 2007

By Order of the Board of Directors

(Y.Surya Narayana)

**Director**



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

ITEM NO.4 Mr.B.Kishan Rao appointed as Whole time Director and hold office up to the conclusion of this annual general meeting.The Company has received the required nominations and it is proposed to appoint Shri B.Kishan Rao as whole time Director of the company liable to retire by rotation.None of the directors except Shri B.Kishan Rao is interested in the said resolution. for the above mentioned director.Your Directors propose the same for your approval.

ITEM NO.5. In order to reflect the activities of the company in tha name it was proposed to change the name of the company from COLOR CHIPS INDIA LIMITED to CCIL ANIMATION LIMITED. Your Directors propose the same for your approval.



Hyderabad

November 10, 2007

By Order of the Board of Directors

(Y.Surya Narayana)

**Director**



## **DIRECTOR'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

To

The Members

Your Directors have pleasure in placing before you the 17<sup>th</sup> Annual Report of the company with Audited Financial statements for the year ended 30<sup>th</sup> June 2007.

### **OPERATIONS AND FUTURE OUT LOOK:**

(Rs In Lakhs)

|   | <b>2006-07</b> | <b>2005-06</b> |
|---|----------------|----------------|
| Net Sales / Income from operations            | 72.68          | 100.09         |
| Other Income                                  | 19.01          | 2.35           |
| Total Expenditure                             | 61.10          | 93.09          |
| Profit before Depreciation                    | (33.18)        | 171.87         |
| Depreciation                                  | 123.3          | 99.56          |
| Profit after depreciation                     | (455.09)       | 72.30          |
| Profit of the PY brought forward              | 485.84         | (105.79)       |
| Provision for Deferred tax asset current year | 33.22          | 34.32          |
| Transitional Cum Deferred tax asset           | -              | -              |
| Profit / Loss carried to Balance Sheet        | (55.46)        | 6.87           |

### **DIVIDEND:**

In the absence of profits, the Board expresses its inability to recommend payment of dividend to the equity shareholders of the Company.





## **CORPORATE GOVERNANCE:**

Your company has adopted the best corporate governance practices and has also taken steps to understand the interest of its stakeholders so that the needs of the stakeholders could be met.

A detailed Report along with a certificate of Compliance appears in the Annexure to the Director's Report.

## **DIRECTORS:**

In accordance with the provisions of the Companies Act, 1956 and the Articles of association of the Company, Mr. K.ch.A.V.S.N.Murthy, Director will be retiring by rotation at the Annual General Meeting and being eligible, offers himself for reappointment.

## **AUDITORS AND AUDIT REPORT**

M/s. M.S.S.PRASAD & Co., Chartered Accountants, Hyderabad, the retiring auditors have expressed their inability to continue as auditors citing personal reasons and M/s.S.N.Murthy & Co. will be appointed as auditors of the company in place of M/s.M.S.PRASAD & Co from the conclusion of this meeting until the conclusion of the next annual general meeting.

## **DISCLOSURES**

Disclosure in terms of Companies (Particulars of Employees) Rules, 1975 and Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of energy, technology absorption, earnings and outgo of foreign exchange are attached and forms part of this report.

## **HUMAN RESOURCE**

Your Company during the year has taken various initiatives to introduce and implement best HR practices that meet global standards.



## INTERNAL CONTROL SYSTEM:

Your Company has established internal controls which provides reasonable assurance with regard to maintaining proper financial system, preserving economy and efficiency of operations, safeguarding assets against unauthorized use or losses and facilitating reliability of financial and operational information. The Company's internal control systems are adequate and are routinely tested and certified by the statutory and internal auditors.

An Audit Committee of the Board of Directors regularly reviews the audit plans, significant audit findings, and adequacy of internal controls as well as compliance with accounting standards. The Audit Committee met times during the year to review and monitor implementation of management actions for continuous improvement.

