



**TELEPHOTO ENTERTAINMENTS LIMITED**

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**Eighth Annual Report  
2006-2007**

## CONTENTS

|   |    |
|---|----|
| Company Information   | 1  |
| Notice to Shareholders  | 2  |
| Directors Report  | 4  |
| Report on Corporate Governance  | 8  |
| Management Discussion and Analysis Report   | 15 |
| Auditor's Report on Corporate Governance  | 17 |
| Auditor's Report  | 18 |
| Financial Accounts with Schedules   | 22 |
| Balance Sheet Abstract  | 32 |
| Cash Flow Statement   | 33 |
| Financial Accounts with Schedules of Telephoto International Pte Ltd, Singapore   | 35 |
| Financial Accounts with Schedules of AGS Properties Development (India) Pvt. Ltd. | 45 |
| Consolidated Accounts with schedules  | 63 |
| Consolidated Cash Flow Statement  | 75 |

**TELEPHOTO ENTERTAINMENTS LIMITED**  
**EIGHTH ANNUAL REPORT 2006-2007**

**COMPANY INFORMATION**

**REGD OFFICE:**

No. 1/1, Yogambal Street,  
T. Nagar,  
Chennai 600 017  
Phone No. 044 - 28155697, FAX No. 044 - 28340047

**BOARD OF DIRECTORS**

Mr. R. Nagarajan  
Mr. N. S. Kumar  
Mr. K. Praveenkumar  
Mr. R. Rangarajan

**BANKERS**

State Bank of Mauritius Limited, Cathedral Road, Chennai  
Centurion Bank Limited, Nandanam Branch, Chennai 600035  
HDFC Bank Limited, T. Nagar, Chennai 600017

**AUDITORS**

CNGSN & Associates  
Chartered Accountants,  
"Agastyar Manor"  
New No. 20, Raja Street  
T. Nagar, Chennai-6000 17

**STOCK EXCHANGES**

Madras Stock Exchange Ltd.  
(Regional Stock Exchange)  
Bombay Stock Exchange Ltd.

**SHARE TRANSFER AGENTS**

Cameo Corporate Services Limited  
"Subramanyam Building"  
1, Club House Road, Chennai -600 02

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Shiv Nath Sinha

EIGHTH ANNUAL REPORT

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**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the Eighth Annual General Meeting of the Members of **TELEPHOTO ENTERTAINMENTS LIMITED** will be held on Friday, 28<sup>th</sup> September, 2007 at 10.00 A.M. at Sri Devi Preview Theatre, 14, Vijayaraghava Road, T. Nagar, Chennai 600 017 to transact the following business:

**Ordinary Business**

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March 2007 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. R. Nagarajan, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board

Place : Chennai  
Date : 28.06.2007

Shiv Nath Sinha  
Company Secretary

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE 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 PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting.
3. Members are requested to bring their copy of Annual Report to the Meeting. Corporate Members are requested to send duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
4. The Register of Members and Share Transfer Books will remain closed between 21<sup>st</sup> September, 2007 and 28<sup>th</sup> September, 2007 (both days inclusive) for the purpose of AGM.
5. Members holding shares in physical form are requested to quote their Registered Folio No. on all correspondence with the Company and notify the Company immediately of change, if any, in their Registered address.
6. Members holding shares in dematerialized form, are requested to notify the Depository Participants (DPs) immediately of change, if any, in their Registered Address.

**7. Appointment/Re-appointment of Directors**

At the ensuing Annual General Meeting Mr. R. Nagarajan, Director retires by rotation and being eligible offers himself for re-appointment. He was elected by the members as Director in the Annual General Meeting held on 25<sup>th</sup> September, 2006, subject to retirement by rotation. He has given his consent to be a Director, if re- elected by the members. He has confirmed that he is not disqualified to be appointed as Director under Section 274 of the Companies Act, 1956. Mr. R. Nagarajan, is interested in this Resolution, as it relates to his appointment. None of the other Directors of the Company are concerned or interested in this Resolution. The information or details to be provided for the aforesaid Director is given in the Corporate Governance Report.

By order of the Board

Place : Chennai  
Date : 28.06.2007

Shiv Nath Sinha  
**Company Secretary**



**DIRECTORS' REPORT 2007**

Your Directors have pleasure in presenting the Eighth Annual Report together with the Audited Statements of Accounts of the Company for the year ended 31<sup>st</sup> March 2007.

**Financial results**

|                   |         | (Rs.in lakhs) |
|-------------------|---------|---------------|
|                   | 2006-07 | 2005-06       |
| Total income      | 9.58    | 321.71        |
| Total Expenditure | 19.78   | 275.60        |
| Interest          | 0.38    | 3.08          |
| Depreciation      | 0.19    | 16.42         |
| Profit before Tax | (10.77) | 23.96         |

**Results of operations**

Gross Revenue for the year under consideration is Rs. 9.58 lakhs as against Rs. 321.71 lakhs during the previous year. Loss for the year is Rs. (10.77) lakhs as compared to a profit of Rs. 23.96 lakhs during the previous year.

**Share capital**

During the Financial Year 2006-07, there is no change in the Capital Structure of the Company. During Feb. 2007 the promoters of the holding company M/s. SSI LIMITED have entered into an share purchase agreement with M/s. PVP Enterprises Private Limited, Hyderabad for sale of 2,17,06,432 (37.5%) equity shares of SSI Limited held by them in the company. Earlier Shri. Kalpathi S. Aghoram one of the promoter of SSI Limited made an off market sale of 78,14,315 (13.5%) equity shares held by him in the Company to M/s. PVP Enterprises Private Limited. Being a Listed Company the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 gets attracted on it as it is considered on deemed acquisition. The acquirer M/s. PVP Enterprises Private Limited have filed the draft Letter of offer with SEBI as per SAST Regulation for the purchase of 20% of shares of shareholders of Telephoto Entertainments Limited.

**Business**

The Company did not have any operating revenues during the year under review.

**Valuation of Assets**

The Assets of the Company have not been Re-Valued during the year.

**Depreciation on assets**

The Assets are written down under Straight Line method, based on estimated life of the assets.

**Demat facility**

The Company's shares are listed in Madras Stock Exchange (Regional Stock Exchange) and the Stock Exchange, Mumbai. As per SEBI Guidelines, the Company's shares are compulsorily dematerialized and can be traded only electronically.

**Fixed Deposits**

The company accepted no Fixed Deposits during the year.

**Transaction with the subsidiaries****Overseas Subsidiary**

During the year under reference, Telephoto Entertainments Limited did not have any transaction with Telephoto International Pte Ltd., a WOS at Singapore. During the year under reference, WOS at Singapore did not report any turnover.

**Indian Subsidiary**

During the year, Telephoto Entertainments Limited did not have any transaction with AGS Properties Development (India) Limited. During the year under reference, WOS in India did not report any turnover.

**Accounts of WOS**

Audited Accounts of Telephoto International Pte Limited, Singapore are made up to 31<sup>st</sup> December, 2006 and accounts of AGS Properties Development (India) Pvt. Limited are made up to 30<sup>th</sup> September, 2006.

**Consolidated financial Statements**

As stipulated by Clause 32 of the Listing Agreement with the Stock Exchanges, the consolidated financial Statements have been prepared in accordance with the requirements of Accounting Standard 21 issued by The Institute of Chartered Accountants of India and annexed with this report.

**Retirement by rotation of Director**

All the Four Directors on the Board were appointed as Additional Director in the Board Meeting held on 27<sup>th</sup> April, 2006. The Directors were then regularized as Director in the last Annual General Meeting held on 25<sup>th</sup> September, 2006.

Mr. R. Nagarajan, Director, who was appointed by the members in the last Annual General Meeting, is due to retire by rotation during this meeting and being eligible offers himself for re-appointment.

**Auditors**

The Auditors of the Company M/S CNGSN & Associates, Chartered Accountants, are due to retire as Auditors during this Annual General Meeting and being eligible offer themselves for re-appointment. If appointed, they will hold office until the conclusion of next Annual general Meeting.

**Internal Control System and their adequacy**

Your company has adopted internal control system, commensurate with its size and operations. Through the Audit Committee, its implementation and compliance is ensured, so that assets and business interests of the company are adequately safeguarded.

EIGHTH ANNUAL REPORT

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**Declaration under Section 217 of the Companies Act, 1956**

There were no employees drawing a remuneration of Rs.24,00,000 per annum or Rs.2,00,000 per month either in full time basis or part time basis during the year under review.

**Technological absorption and conservation of energy**

The operations of the Company are not energy intensive. However, the Company has taken adequate measures to reduce the energy consumption by using energy efficient hardware and other equipment.

**Foreign Exchange**

Total foreign exchange out flow and inflow during the year – NIL.

**Risk Management**

All the equipments have been adequately insured and are kept securely protected.

**Corporate Governance**

Your Company adheres to high standards of Corporate Governance. Your Company has complied with the Corporate Governance code as stipulated under the Clause 49 of the Listing Agreement with the Stock Exchanges. A separate section on the Corporate Governance Report along with a certificate from Auditors confirming the level of compliance forms part of the Annual Report.

**Share Dealing Code**

Yours Directors have approved a Share Dealing code that will have to be adhered to by all employees of the company. The objective of prescribing this code is primarily to ensure that the employees deal in the shares of the company only at a time when any price sensitive information that could be known to the employee is known to the public at large.

**Directors' Responsibility Statement**

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956, Your Directors state that:

- In preparation of accounts, the applicable Accounting Standards have been followed.
- Accounting Policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give true and fair view of the state of affairs of the company as at the end of 31<sup>st</sup> March, 2007 and of the Profit and Loss of the Company for the year ended as on that.
- Proper and sufficient care has been taken 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 frauds and other irregularities.
- The Annual Accounts of the Company have been prepared on a Going Concern basis.



## Management Discussion and Analysis Report

In accordance with the Listing Agreement, the Management Discussion and Analysis Report (MD&A) forms part of this report.

### Appreciation

Your Directors take this opportunity to thank all the employees for rendering high quality of service to every constituent of the Company's customers. Your Directors wish to place on record the support received from the Company's Bankers State Bank of Mauritius, Cathedral Road Branch, Centurion Bank Limited, Nandanam Branch and HDFC Bank Limited, T. Nagar Branch.

The Directors would like to convey their gratitude to the members and look forward to their continued support.

On behalf of the Board of Directors

Place : Chennai  
Date : 28.06.2007

R. Nagarajan  
Chairman

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## EIGHTH ANNUAL REPORT

**Corporate Governance Report****Company's Philosophy on code of Governance**

Telephoto Entertainments Limited continues to focus and is committed to good Corporate Governance as it helps enhancement of long-term shareholder value and interest of other stakeholders. The Company is committed to its objective of accountability, transparency, independence and professionalism in all spheres of activities.

Corporate Governance is an integral part of the management and the Company follows procedures and practices in conformity with the Code of Corporate Governance as stipulated by SEBI. Corporate Governance is all about directing with integrity the affairs of the Company so as to optimize its performance and increase the value and wealth for all the stake holders. The onus for this devolves chiefly on the Board of Directors.

The Board of Directors support the broad principles of Corporate Governance and lays strong emphasis on transparency, accountability, integrity, disclosure and value creation. Given below is the Report of the Directors on Corporate Governance in accordance with the provisions of the Listing Agreement.

**Composition of the Board of Directors as on this report**

| <b>Name</b>          | <b>Category</b>          | <b>Dt of Appt</b> |
|----------------------|--------------------------|-------------------|
| Mr. R. Nagarajan     | Independent Director     | 27.04.2006        |
| Mr. N.S. Kumar       | Independent Director     | 27.04.2006        |
| Mr. K. Praveen Kumar | Non-Independent Director | 27.04.2006        |
| Mr. R. Rangarajan    | Non-Independent Director | 27.04.2006        |

**Brief particular of the Directors is furnished below.**

1. Mr. R. Nagarajan : He is (69 years) a B.Com (Hons) with C.A.I.I.B. and has more than 46 years of experience in Banking and Finance.

He holds Directorship in the following Companies.

1. SSI Limited, Chennai
2. K. Dhandapani & Company Ltd., Chennai
3. Dhandapani Finance Ltd., Chennai
4. Lattice Bridge Infotech (P) Ltd., Chennai
5. Excel Audit & Management Support Services Pvt. Ltd., Chennai

2. Mr. N.S. Kumar : He is (60 years) a Master's Degree holder from Ohio University and has more than 26years of experience in IT industry and has previously worked in Honeywell Bull, Singapore, Electronic Corporation of India and Tranc Inc, USA.

He holds Directorship in the following companies.

1. SSI Limited, Chennai
2. Electroscan India Limited, Chennai