
TELEPHOTO ENTERTAINMENTS LIMITED

TELEPHOTO ENTERTAINMENTS LIMITED

**Ninth Annual Report
2007-2008**

NINTH ANNUAL REPORT

TELEPHOTO ENTERTAINMENTS LIMITED**NINTH ANNUAL REPORT 2007 - 2008**

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COMPANY INFORMATION

Board of Directors

Mr. Prasad V. Potluri
Mr. R. Nagarajan
Mr. N. S. Kumar
Mr. R. R. Aroonkumar

Company Secretary

Ms. Sneha Dalia

Compliance Officer

Mr. K. Ranganathan

Board Committees

Audit Committee

Mr. R. Nagarajan (Chairman)
Mr. N. S. Kumar
Mr. R. R. Aroonkumar

Shareholders'/Investors' Grievance Committee

Mr. R. Nagarajan (Chairman)
Mr. N. S. Kumar

Auditors

PKF Sridhar & Santhanam
Chartered Accountants
98 A, IV Floor, Dr. Radhakrishnan Salai, Mylapore,
Chennai-600 004

Bankers

State Bank of Mauritius
Centurion Bank Limited
HDFC Bank Limited

Registered Office

KRM Centre, 9th Floor, No. 2,
Harrington Road, Chetpet,
Chennai-600031
Telephone: +91-44-30285570
Fax: +91-44 30285571
Email: ranganathan.krishnam@pvpglobal.com

Registrars & Transfer Agents

Cameo Corporate Services Limited
"Subramanyam Building"
1, Club House Road, Chennai-600 002
Phone: 91-44-28460390
Fax: 91-44-28460129
E-mail: cameo@cameoindia.com

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NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of the members of **Telephoto Entertainments Limited** will be held on Monday, September 29, 2008 at 12.00 Noon at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600006 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2008, the Profit & Loss Account for the financial year ended March 31, 2008 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. N. S. Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT M/s. PKF Sridhar & Santhanam, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS

4. **Appointment of Mr. Prasad V. Potluri as a Director of the Company**

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof,

Mr. Prasad V. Potluri, who was appointed as an Additional Director pursuant to the provisions of section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

5. **Appointment of Mr. R. R. Aroonkumar as a Director of the Company**

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

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. R. R. Aroonkumar, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company."

6. **Delisting of shares from Madras Stock Exchange Limited**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

"RESOLVED that in accordance with the applicable provisions of the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, the Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Companies Act, 1956, or any amendment or modification thereof, and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by

the Board of Directors of the Company or any person(s) authorized by the Board, approval be and is hereby accorded to delist the Equity Shares of the Company from the Madras Stock Exchange Limited.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting and to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any questions, difficulties, doubts that may arise in regard to implementation of the foregoing resolution for delisting of the existing shares and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one of the Director of the Company or the Company Secretary or any person to do various acts, deeds and things required to be done in this behalf."

By order of the Board of Directors
For Telephoto Entertainments Limited

Place : Hyderabad
Date : 20.08.08

Sneha Dalia
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the 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. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special

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Business to be transacted at the Meeting is annexed hereto.

4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The Company has already notified closure of Register of Members and Transfer Books from Monday, September 22, 2008 to Monday, September 29, 2008 (both days inclusive).
8. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/RTA and notify the Company's Registrars and Transfer Agents, or the Depository Participants, in case of shares in dematerialized form, immediately of change, if any, in their registered address and/or of the mandates, if any.
9. Reappointment of Mr. N. S. Kumar:

At the ensuing AGM, Mr. N. S. Kumar is retiring by rotation and being eligible, offers himself for reappointment. His brief resume and other relevant details are as follows:

Name	Mr. N.S. Kumar
Date of birth	January 06, 1947
Date of appointment	April 27, 2006
Experience	Over 27 years in IT Industry and management of projects
Qualifications	Master's degree from Ohio University
No. of shares held	NIL

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Relationship with other directors of the Company	NA
Directorship in other companies	PVP Ventures Limited
Chairman/Member of the Committee of the Board of Grievances' the companies in which he is a Director	Chairmanship-NIL Member-Audit Committee and Shareholders & Investors Committee of PVP Ventures Limited

**EXPLANATORY STATEMENT UNDER SECTION 173(2)
OF THE COMPANIES ACT, 1956**

Item No. 4 & 5

Mr. Prasad V. Potluri and Mr. R. R. Aroonkumar were appointed as Additional Directors of the Company with effect from December 04, 2007 and December 05, 2007 respectively.

In terms of the provisions of Section 260 of the Companies Act, 1956, they hold office upto the date of this Annual General Meeting. The Company, pursuant to the provisions of Section 257 of the Act, has received notices in writing from members along with a deposit of Rs. 500/- each, proposing the candidature of Mr. Prasad V. Potluri and Mr. R. R. Aroonkumar as Directors of the Company.

The Board recommends the resolution for your approval.

Save and except Mr. Prasad V. Potluri and Mr. R. R. Aroonkumar, none of the Directors of the Company are, in any way, concerned or interested in the resolution.

Item No. 6

The Equity Shares of the Company are presently listed on Bombay Stock Exchange Limited (BSE) and the Madras Stock Exchange Limited (MSE).

However, there has been no trading of equity shares of the Company at MSE for last few years, which does not justify payment of Listing Fees and other charges. Also,

the investors or the shareholders of the Company do not get any additional benefit by continuing the listing at MSE.

Further, the Company's shares are listed and traded on BSE, having nationwide trading terminals and thus the investors and the shareholders of the Company have access to online dealings in the Company's securities across the Country. Hence, delisting from MSE will not have any adverse effect on the shareholders and investors of the Company.

Further, the proposed delisting from MSE will also entail an annual cost saving of approx. Rs.25,000/- payable to MSE as annual listing fees and other charges.

As per the SEBI Delisting Guidelines, the Company is permitted to delist from other stock exchanges, if its shares continue to be listed at BSE.

Accordingly, the Board of Directors of the Company has approved the proposal to delist from MSE, subject to your approval by way of a special resolution.

The Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

By order of the Board of Directors
For Telephoto Entertainments Limited

Place : Hyderabad
Date : 20.08.08

Sneha Dalia
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Ninth Annual Report and the audited accounts for the financial year ended March 31, 2008.

Financial results and operations

(Amount in Rs. Lac)

Particulars	2007-08	2006-07
Total Income	3.70	9.58
Total Expenditure	12.67	19.78
Interest	0.05	0.38
Depreciation	Nil	0.19
Profit Before Tax	(10.25)	- (10.77)

The total income comprises of other income of Rs. 3.70 Lac (previous year Rs. 9.58 Lac). The Company has not carried any business activities during the year.

Future Outlook

Last year, PVP Group has taken over the management of the Company. The new management is exploring various opportunities to start the multiplex operations and other business avenues.

Dividend

In view of the losses, no dividend has been recommended by the Board for the year under review.

Directors

Consequent upon change in management, Mr. K. Praveenkumar and Mr. R. Rangarajan had resigned w.e.f. December 04, 2007.

The Board was reconstituted and Mr. Prasad V. Potluri and Mr. R. R. Aroonkumar were appointed as Additional Directors of the Company w.e.f. December 04, 2007 and December 05, 2007 respectively. In terms of section 260 of the Companies Act, 1956, they would vacate their offices on the date of ensuing AGM. Notice under section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/-

has been received from members of the Company signifying their intention to propose the candidatures of Mr. Prasad V. Potluri and Mr. R. R. Aroonkumar as Directors of the Company, liable for retirement by rotation. Necessary resolutions for their appointment as Director are incorporated in the Notice calling the AGM.

As per the Articles of Association, Mr. N. S. Kumar, retires by rotation at the ensuing AGM and being eligible offers himself for reappointment. Brief resume of Mr. N. S. Kumar, his expertise, names of companies in which he holds directorships and memberships /chairmanships of Board Committees, shareholding and relationships between directors *inter-se*, as stipulated under Clause 49 of the Listing Agreements are provided in the Notice calling the AGM.

Public Deposits

The Company has not accepted/renewed any fixed deposits during the year under review.

Subsidiaries

The Company, as on March 31, 2008, has the following two (2) subsidiaries:

*PVP Screens Private Limited
(Formerly AGS Properties Development (India) Pvt. Ltd.,
Telephoto International Pte. Ltd*

A statement, pursuant to section 212, is attached as *Annexure-I* to this Report.

Management's Discussion and Analysis Report

Management's Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report.

Corporate Governance

The Directors adhere to the requirements set out by Clause 49 of the Listing Agreement. The Report on Corporate Governance as stipulated under Clause 49 of the Listing

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Agreement forms part of the Annual Report. The requisite Certificate from Ms. Lalitha Kannan, Company Secretary in Practice, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is attached to this Report.

Auditors' report

The Auditors Report together with the Audited Accounts for the financial year ended March 31, 2008 and the Notes on Accounts are self-explanatory and therefore do not call for any further comments.

As regard to the observations of the Auditors in the Auditors' Report, the management comments as follows:

"The management is confident that due to expected increase in business on account of the Company's proposed re-entry into the entertainment industry, its past track record and reputation and the present growth potential seen in the industry, the Company would be able to reduce its losses in the future and improve profitability."

Auditors

M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, are retiring at the forthcoming Annual General hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The Company has received a letter from them that their reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act. Necessary resolution for their re-appointment is incorporated in the Notice calling the AGM.

Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates, the audited Consolidated Financial Statements are provided in the Annual Report.

Particulars of employees

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company as no employee was in receipt of remuneration exceeding the limits prescribed therein.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/Outgo

Particulars regarding technology absorption, conservation of energy and foreign exchange earnings and outgo required under section 217(1)(e) of the Companies Act, 1956 and Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company.

Responsibility Statement of the Directors

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors 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 for the financial year ended March 31, 2008 and of the loss of the company for the year ended on that date;
- (iii) the Directors 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;
- (iv) the Directors have prepared the annual accounts on a going concern basis.

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Acknowledgement

Your Directors would like to express their appreciation for assistance and co-operation received from the shareholders, holding company, banks and Government authorities during the year under review.

For and on behalf of the Board of Directors
For Telephoto Entertainments Limited

Hyderabad
August 20, 2008

Prasad V. Potluri
(Director)

R. R. Aroonkumar
(Director)

Annexure-I

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO
COMPANY'S INTEREST IN SUBSIDIARY COMPANIES FOR THE FINANCIAL YEAR 2007-08**

Name of Subsidiary Company	PVP Screens Private Limited	Telephoto International Pte. Ltd.
The Financial Year of the Subsidiary Companies ended on	March 31, 2008	December 31, 2007
Date from which they became Subsidiary Companies	March 02, 2006	January 13, 2006
Number of shares held by the Company along with its nominees in the subsidiaries at the end of the financial year of the Subsidiary	30,000 equity shares of Rs. 10 each	10,000 shares of 1 Singapore Dollar each (Rs. 266500)
Extent of Interest of the Company at the end of the financial year of the Subsidiary Companies	100%	100%
The net aggregate amount of the Subsidiary Companies Profit/(Loss) so far as it concerns the members of the Holding Company not dealt with in the Company's accounts:		
(a) for the current financial year	Rs. 394799	Rs. 287693
(b) for the previous financial year	Rs. 393599	Rs. 287693
The net aggregate amount of the Subsidiary Companies Profit/(Loss) so far as it concerns the members of the Holding Company dealt with in the Company's accounts:		
(a) for the current financial year	NIL	NIL
(b) for the previous financial year	NIL	NIL

For and on behalf of the Board of Directors
For Telephoto Entertainments Limited

Hyderabad
August 20, 2008

Prasad V. Potluri
(Director)

R. R. Aroonkumar
(Director)

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REPORT ON CORPORATE GOVERNANCE

The Directors adhere to the requirements set out by Clause 49 of the Listing Agreement.

Board Composition

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Board consists of 4 Directors, out of which 2 are Independent Directors. The names and categories of Directors on the Board as on date are given below.

Category	Name of Director
Executive (Promoter)	Mr. Prasad V. Potluri
Non- Executive (Professional)	Mr. R.R. Aroon Kumar
Independent Directors	Mr. R. Nagarajan Mr. N. S.Kumar

Board Meetings

During the period, 6 board meetings were held on June 28, 2007, July 30, 2007, October 31, 2007, December 4, 2007, January 30, 2008 and March 29, 2008. The maximum interval between any two Board meetings was of 91 days.

Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/Memberships of Committees of each Director in various companies are as follows:

Name of the Director	Attendance		No. of Directorships and Committee Memberships / Chairmanships including Telephoto Entertainment Limited		
	Board Meetings	Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
Mr. Prasad V. Potluri *	2	No	2	1	-
Mr. R. Nagarajan	6	Yes	3	6	4
Mr. N. S.Kumar	6	Yes	2	4	-
Mr. K. Praveen Kumar#	4	Yes	-	-	-
Mr. R. Rangarajan#	3	Yes	-	-	-
Mr. R. R. Aroonkumar**	2	No	1	1	-

#Resigned w.e.f. December 04, 2007, *Appointed w.e.f. December 04, 2007, **Appointed w.e.f. December 05 2007.

Notes

1. The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
2. In accordance with Clause 49, Memberships/ Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.