

TELEPHOTO ENTERTAINMENTS LIMITED

**Annual Report
2009 -10**

TELEPHOTO ENTERTAINMENTS LIMITED

11th Annual Report 2009-10

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COMPANY INFORMATION

Board of Directors

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

Auditors

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

Company Secretary & Compliance Officer

Ms. Sneha Dalia

Registered Office

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

Board Committees

Audit Committee

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

Registrar & Transfer Agent

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

Shareholders'/Investors'

Grievance Committee

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

TELEPHOTO ENTERTAINMENTS LIMITED

NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the members of **Telephoto Entertainments Limited** will be held on Thursday, September 30, 2010 at 11.30 A.M. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006, to transact the following Business as :

ORDINARY BUSINESS :

1. To consider and adopt the Audited Balance Sheet of the Company as at March 31, 2010, the Profit & Loss Account for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. Nagarajan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s.CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

The Following resolution is proposed to be passed, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224(1) and other applicable provisions, if any, of the Companies Act, 1956, M/s.CNGSN & Associates, Chartered Accountants, be and are hereby appointed as the Statutory 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. 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 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary approvals, if any, consent of the Company be and is hereby accorded to borrow, from time to time, such sum or sums of money and without prejudice to the generality thereof by way of debentures (whether fully, partly and/or optionally convertible), loans, advances, assignments, credits, acceptance of deposits or otherwise, from any bank(s) or financial institution(s) or Company(ies) or Corporation(s) or firm(s) or other person(s), as it may consider fit for the purpose of the business of the Company which together with the monies already borrowed by the Company (apart from temporary loans

obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate, for the time being, of the paid up share capital and free reserves of the Company (that is to say reserves not set apart for any specific purpose), provided that the aggregate of the monies borrowed and to be so borrowed and outstanding at any one time shall not exceed Rs. 300 Crores (Rupees Three Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise the terms and conditions of all such monies borrowed or to be borrowed, from time to time as to interest, repayment, security or otherwise howsoever as they may think fit and to do all such acts and things as may be necessary for giving effect to the above resolution."

5. 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 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the necessary approvals, if any, consent of the Company be and is hereby accorded to mortgage and/or charge all or any of the present and future movable and immovable properties and the whole or substantially the whole of the undertaking of the Company, in such form and manner as the Board of Directors may deem fit, for the purpose of securing the borrowing or financial assistance, prejudice to the generality thereof by way of debentures (whether fully, partly and/or optionally convertible), loans, advances, assignments, credits, acceptance of deposits or otherwise, from any bank(s) or financial institution(s) or Company(ies) or Corporation(s) or firm(s) or other person(s), together with interest, costs, charges, expenses, and all other monies payable by the Company to the concerned lenders, upto a value of and within the overall borrowing limit of Rs. 300 Crores (Rupees Three Hundred Crores Only).

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise the terms and conditions of all such mortgage/charge as they may think fit and to do all such acts and things as may be necessary for giving effect to the above resolution."

By order of the Board

For **Telephoto Entertainments Limited**

Sneha Dalia

(Company Secretary)

Hyderabad. August 19, 2010

TELEPHOTO ENTERTAINMENTS LIMITED

other relevant details are as follows:

Name	Mr. R. Nagarajan
Date of birth	July 06, 1938
Date of appointment	April 27, 2006
Expertise	Over 48 years of experience in banking and finance
Qualifications	B. Com (Hons.), CAIIB
No. of shares held in the Company	NIL
Relationship with other directors of the Company	None
Directorship in other companies	PVP Ventures Limited Dhandapani Finance Ltd. Excel Audit & Management Support Services Private Limited
Chairman/Member of the Committee of the Board of the companies in which he is a Director	Chairmanships in: PVP Ventures Limited (a) Audit Committee, (b) Remuneration Committee and (c) Shareholders & Investors Grievances' Committee Telephoto Entertainments Limited (a) Audit Committee (b) Shareholders & Investors Grievances' Committee

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

Item No. 5 and 6

The Company is working on some plans to diversify into media financing activities and would need funds for the same. Hence, it is proposed to raise debts of upto Rs. 300 Crores by way of debentures, loans, advances, assignments, deposits etc. from bank/ FI or other concerns and to offer securities for the same.

Since, the proposed borrowings (alongwith the monies already borrowed by the Company) exceeds the aggregate of the paid up share capital and free reserves of the Company and accordingly, in terms of sections 293 (1)(a) and 293(1)(d) of the Act, require approval of the shareholders by way of ordinary resolutions.

None of the directors of the Company is, in any way, concerned or interested in the Resolution.

By order of the Board
For **Telephoto Entertainments Limited**

Sneha Dalia
(Company Secretary)

Hyderabad, August 19, 2010

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 48 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. 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. Members are requested to bring their attendance slips along with their copy of Annual Report to the Meeting.
4. 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.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, September 23, 2010 to Wednesday, September 30, 2010 (both days inclusive).
6. Members are requested to quote their Registered Folio Number/Client ID on all correspondence with the Company/RTA and notify the Company's RTA, or the Depository Participants, in case of shares in dematerialized form, immediately of change, if any, in their registered address.
7. Non-Resident Indian Members are requested to inform the Company's RTA immediately of
 - (i) Change in their Residential status on return to India for permanent settlement.
 - (ii) Particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin Code Number, if not furnished earlier.
8. The Company has designated an exclusive email id viz. ir.telephoto@pvpglobal.com, which would enable the investors/shareholders to post their grievances and monitor its redressal. Any member having any grievances can post the same to this email ID for the quick redressal.
9. Reappointment of Mr. R. Nagarajan:
At the ensuing AGM, Mr. R. Nagarajan is retiring by rotation and being eligible, offers himself for reappointment. His brief resume and

DIRECTORS' REPORT

Your Directors have pleasure in presenting the Eleventh Annual Report and the audited accounts for the financial year ended March 31, 2010.

Review of Operations

The Company did not carry out any business activities during the year. However, the Company plans to diversify into media financing going forward as it is a very attractive business. The Company is currently looking into various business models for this purpose.

Dividend

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

Directors

As on the date of this Report, the Board of Directors comprises of Mr. Prasad V. Potluri, Mr. R. Nagarajan and Mr. N.S. Kumar. Mr. Deepak Nagori resigned as a Director w.e.f. July 30, 2010.

As per the Articles of Association, Mr. R. Nagarajan, retires by rotation at the ensuing AGM and being eligible offers himself for reappointment. Brief profile of Mr. R. Nagarajan, as stipulated under Clause 49 of the Listing Agreements, is provided in the notes attached to the Notice calling the AGM.

Public Deposits

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

Subsidiary Company

As on March 31, 2010 and on the date of this report, PVP Screens Private Limited (PVP Screens) is the only Subsidiary of the Company to the extent of 100%.

The name of Telephoto International Pte. Ltd. (another wholly owned subsidiary of the Company) was struck off from the Register of the Accounting & Corporate Regulatory Authority, Singapore w.e.f. January 15, 2010 and hence this company ceased to exist from this date.

In terms of the sub-section (1) of Section 212 of the Companies Act, 1956, the Balance Sheet, Profit and Loss Account and other documents of the PVP Screens are attached with the Balance Sheet of the Company. A statement pursuant to section 212(1)(e) read with 212(3) of the Companies Act, 1956, relating to Company's Interest in Subsidiary Companies for the financial year under review is attached as **Annexure-I** to this report.

Group

Pursuant to the intimation from the Promoters and Promoters Group, the entities comprising of the Group, in terms of Regulation 3 of the SEBI

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(Substantial Acquisition of Shares and Takeovers) Regulations, 1997, are as follows:

M/s. Platex Limited	M/s. PVP Ventures Limited
Mr. Prasad V. Potluri	M/s. PVP Energy Private Limited
Mrs. Jhansi Sureddi	M/s. Whitecity Infrastructure (India) Private Limited
M/s. Maven BPO Services Private Limited	M/s. Godavari Infracon Private Limited
M/s. Waltair Promoters Private Limited	

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached as **Annexure-II** to this 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 Agreement forms part of the Annual Report. The requisite Certificate from M/s. V. Mahesh & Associates, Company Secretaries, 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, 2010 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 on the Standalone and Consolidated Financial Statements, the Board would like to comment as follows:

Standalone financials

(i) *Board's comments on the para 4 of the Auditors' Report*

The Company plans to diversify into media financing going forward as it is a very attractive business and currently looking into the various business models. The Directors expect that once these plans are implemented, it would generate sufficient cash flow to meet the operating and administration expenses of the Company. Hence, the financial statements of the Company are prepared on a going concern basis.

(ii) *Board's comments on the para (iii)(a) of the Annexures to the Auditors' Report*

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the Annual Report.

Particulars of employees

The Company had no employees during the year. However, w.e.f July 01, 2010, the Company has appointed few employees.

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, 2010 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.

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 Prasad V. Potluri R. Nagarajan
August 16, 2010 (Director) (Director)

The advance was given to its wholly owned subsidiary company and such advance is interest free unsecured and repayable on demand.

- (iii) *Board's comments on the para (iii)(b) of the Annexures to the Auditors' Report*

This loan was taken from its holding company and has been repaid during the current year.

- (iv) *Board's comments on the para (vii) of the Annexures to the Auditors' Report*

The Company did not have any business activities for the past 4 years and hence internal auditors were not appointed. Once the proposed business plans of the Company takes some shape and business activities starts, the Company will appoint internal auditors.

- (v) *Board's comments on the para (x) of the Annexures to the Auditors' Report*

The Company plans to diversify into media financing going forward and currently looking into the various business models. Hence, the Directors are hopeful that the Company would have positive net worth in near future.

Consolidated financials

- (i) *Board's comments on the para 4 of the Auditors' Report*

The Company plans to diversify into media financing going forward as it is a very attractive business and currently looking into the various business models. Hence, the management is working towards some plans to make the Company as a going concern.

Auditors

M/s. PKF Sridhar & Santhanam, Chartered Accountants, Chennai, the retiring Auditors have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company at the ensuing Annual General Meeting. Hence, it is proposed to appoint M/s.CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received a letter from M/s.CNGSN & Associates, Chartered Accountants, confirming that their appointment, 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 appointment within the meaning of Section 226 of the said Act. Necessary resolution for their 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

**Statement Pursuant to Section 212 of the Companies Act, 1956, relating to
Company's Interest in Subsidiary Company for the financial year 2009-10**

Name of Subsidiary Company	PVP Screens Private Limited
The Financial Year of the Subsidiary Company ended on	March 31, 2010
Date from which it became Subsidiary Company	March 02, 2006
Number of shares held by the Company along with its nominees in the subsidiary at the end of the financial year of the Subsidiary	30,000 equity shares of Rs. 10 each
Extent of Interest of the Company at the end of the financial year of the Subsidiary Company	100%
The net aggregate amount of the Subsidiary Company's 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. 4,74,22,705
(b) for the previous financial year	Rs. 4,72,83,298
The net aggregate amount of the Subsidiary Company's 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
(b) for the previous financial year	NIL

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

Hyderabad
August 16, 2010

Prasad V. Potluri
(Director)

R. Nagarajan
(Director)

ANNEXURE-II

**MANAGEMENT DISCUSSION AND
ANALYSIS REPORT**

The Company has no business operations over the last three years and cash flows from operations are negative.

Future outlook

The Company plans to diversify into media financing going forward as it is a very attractive business and currently looking into the various business models. Hence, we are hopeful that the Company would be able to continue as going concern.

Risk Factors

The Company's current financial situation and the negative net worth is a concern for the management. However, once the proposed business plans of the Company takes some shape and business activities starts, we are hopeful that the Company would be able return to positive net worth in near future.

Strengths

The Company's management is hopeful to have access to improved management resources in near future.

The other matters as listed out in Corporate Governance Code like Industry structure and developments, opportunities and threats etc. are not applicable to the Company for the current year as the Company has not carried any business activities during the last three years.

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

Prasad V. Potluri
(Director)

R. Nagarajan
(Director)

Hyderabad
August 16, 2010

REPORT ON CORPORATE GOVERNANCE

The Company has always adhered to the requirements set out by Clause 49 of the Listing Agreement.

Board Composition, its meetings and procedure

The Board of Directors of the Company, as on the date of this Report, comprises of three (3) Non-executive directors. Mr. Prasad V. Potluri is a Promoter Director, Mr. R. Nagarajan and Mr. N.S. Kumar are the Independent directors.

During the financial year, Six (6) board meetings

were held on June 30, 2009, July 31, 2009, August 25, 2009, October 30, 2009, January 31, 2010 and March 29, 2010. The maximum interval between any two Board meetings was of 90 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	DIN	Attendance		No. of Directorships and Committee Memberships/ Chairmanships including those of Telephoto Entertainments Limited		
		Board Meetings	Last AGM	Other Directorships#	Committee Memberships@	Committee Chairmanships@
Mr. Prasad V. Potluri	00179175	NIL	Yes	2	1	NIL
Mr. R. Nagarajan	00443963	6	Yes	4	5	5
Mr. N. S. Kumar	00552519	6	Yes	3	5	NIL
Mr. Deepak Nagori*	00877734	5	Yes	NIL	NIL	NIL

*Resigned w.e.f. 30.07.2010

Other directorships excludes directorships in Indian private limited companies, section 25 companies, foreign companies, and alternate directorships. @ Represents Memberships/Chairmanships of Audit Committee & Shareholders/Investors Grievance Committee.

The Board of the Company is regularly presented with all information, in specific, the information stipulated under Clause 49 of the Listing Agreement to ensure adequate disclosure and a transparent decision making. Detailed agenda with explanatory notes and information is circulated among the members of the Board, in advance of each meeting. However, urgent matters are also considered and adopted by passing resolutions through circulation, which are noted at the next meeting of the Board

Committees of the Board**(I) Audit Committee**

As on March 31, 2010, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N.S. Kumar, all independent directors. The Company Secretary of the Company acts as the Secretary of this Committee. The terms of reference of Audit Committee are in accordance with Section 292A of the Companies Act, 1956 and the guidelines set out in Clause 49 of the Listing Agreement.

Meetings and attendance of the Audit Committee during the year

Four (4) meetings of the Audit Committee were held during the year on June 30 2009, July 31 2009, October 30, 2009 and January 31, 2010.

Members	No. of Meetings held	No. of Meetings attended
Mr. R. Nagarajan	4	4
Mr. N.S. Kumar	4	4

(II) Shareholders /Investors' Grievance Committee

As on March 31, 2010, this Committee comprised of Mr. R. Nagarajan (Chairman) and Mr. N. S. Kumar. It approves the transfer and transmission of securities; issuance of duplicate share certificates, redressal of investors' grievances. It also suggests and monitors measures to improve investor relations.

During the year, there was no meeting of the Shareholders'/Investors' Grievance Committee as there were no complaints/ grievances received from any shareholder of the Company. The Company Secretary acts as Secretary of the Committee. Ms. Sneha Dalia is the Compliance Officer of the Company.

General Body Meetings**A. Annual General Meetings**

Location, date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolutions passed thereat are as follows:

Date of AGM & Time	Venue	Special resolutions passed
September 28, 2007 10:00 AM	Sri Devi Preview Theatre, 14, Vijayaraghava Road, Chennai – 600017	NIL
September 29, 2008 12:00 Noon	Kamaraj Arangam, No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai–600006	Delisting of Equity shares from Madras Stock Exchange Limited
September 30, 2009 12:00 Noon	Kamaraj Arangam, No.492, (Old No.574-A), Anna Salai, Teynampet, Chennai–600006	NIL

During the year, no Extra-Ordinary General Meeting was held and no resolution was passed through Postal Ballot.

Disclosures

- (i) During the year, there were no materially significant related party transactions that may have potential conflict with the interests of the Company. The Company's related party transactions are generally with its subsidiary and associate companies. All related party transactions are intended to further the business interests of the Company.
- (ii) The Company submitted the audited annual financial results for the year ended March 31, 2010 on July 30, 2010 whereas the due date under the Clause 41 of the Listing Agreements was May 30, 2010. The Company has submitted application to the SEBI seeking its consent orders for the above delay. Except as stated above, there was no non-compliance during the last three years by the Company on any matter related to Capital Markets. There were no penalties imposed nor strictures passed on the Company by Stock Exchanges, SEBI or any statutory authority.
- (iii) All mandatory requirements as per Clause 49 of the Listing Agreement have been complied with by the Company.
- (iv) The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and there are no statutory audit qualifications in this regard.
- (v) In terms of Clause 49(V) of the Listing Agreement, two directors have made a certification to the Board of Directors in the prescribed format for the year under review which has been reviewed by the Audit Committee and taken on record by the Board.

Means of Communication

The Company announced the quarterly/half-yearly/annual results within the prescribed period and published the same in Trinity Mirror (in English) and in Makkal Kural (in Tamil).

Annual Report containing inter-alia, Audited Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, Management Discussion & Analysis Report and Corporate Governance Report including information for the Shareholders and other important information is circulated to the members and others entitled thereto.

General Shareholders' Information

Registered Office	KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031 Phone: +91-44-30285570, Fax: +91-44-30285571
Investor Helpline	The Company Secretary Telephoto Entertainments Limited KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031 Phone: +91-44-30285570, Fax: +91-44-30285571 Email: ir.telephoto@pvpglobal.com
Registrar and Transfer Agent	Cameo Corporate Services Limited "Subramanyam Building" 1, Club House Road, Chennai-600 002 Phone:91-44-28460390Fax:91-44-28460129 e-mail: cameo@cameoindia.com
Date, place and time of Annual General Meeting	September 30, 2010 at 11.30 AM "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006
Date of Book Closure	September 23, 2010 to September 30, 2010 (Both days inclusive)

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Financial Calendar 2010-11	Adoption of Quarterly results for the quarter ending: June, 2010 - August, 2010 September, 2010 - November, 2010 December, 2010 - February, 2011 March, 2011 - May, 2011 Instead of publishing unaudited quarterly financial results for the last quarter, the Company may also opt to publish audited annual accounts by May 30, 2011.
Listing on Stock Exchanges at	The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited ('BSE'). In accordance with the decision taken by the shareholders at the 9th AGM, the Company on 09.10.2008 had submitted application to Madras Stock Exchange (MSE) for delisting of its equity shares. However, we are yet to receive the formal approval. In the absence of any communication in this regard, the Company presumes that it is delisted from MSE.
Reuters code	Bombay Stock Exchange- TEEN

Distribution of Shareholding as on March 31, 2010

The distribution of shareholding as on March 31, 2010 was as follows

No. of Equity shares	As on March 31, 2010			
	No. of shareholders	% of shareholders	No. of shares	% of Shareholdings
1-5000	5136	98.6743	889872	14.5010
5001-10000	26	0.4995	201293	3.2801
10001-20000	23	0.4418	321690	5.2421
20001-30000	12	0.2305	309856	5.0493
30001-40000	1	0.0192	39059	0.6364
40001-50000	1	0.0192	46000	0.7495
50001-100000	3	0.0576	179033	2.9174
100001-6136611	3	0.0576	4149808	67.6237
Total	5205	100.00	6136611	100.00

Corporate Governance Certificate

A Certificate from a Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 is attached to the Directors' Report forming part of the Annual Report. This Certificate is also being forwarded to the Bombay Stock Exchange Limited.

Capital Integrity Audit

The Audit Report, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with National Securities Depository Limited and Central Depository Services (India) Limited, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Bombay Stock Exchange Limited every quarter.

Status as regards adoption/non-adoption of non-mandatory requirements under Clause 49

Provisions of non-mandatory requirements	Status
<p>The Board</p> <p>(i) A non-executive Chairman may be entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.</p> <p>(ii) Independent Directors may have a tenure not exceeding, in the aggregate, a period of nine years, on the Board of a company.</p> <p>(iii) The company may ensure that the person who is being appointed as an independent director has the requisite qualifications and experience which would be of use to the company and which, in the opinion of the company, would enable him to contribute effectively to the company in his capacity as an independent director</p>	<p>Not applicable as the Company has not appointed a Chairman.</p> <p>Not adopted</p> <p>All the Independent Directors have requisite qualifications and experience in their respective fields.</p>
<p>Remuneration Committee</p>	<p>Not adopted as the Company does not have any employee.</p>
<p>Shareholder Rights</p> <p>A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders</p>	<p>Not adopted</p>
<p>Audit qualifications</p> <p>Company may move towards a regime of unqualified financial statements</p>	<p>Adopted</p>
<p>Training of Board Members</p>	<p>All Board members have requisite qualifications and experience in their respective fields. They are well aware of the business model of the Company as well as the risk profile.</p>
<p>Mechanism for evaluating non-executive Board Members</p>	<p>Not adopted</p>
<p>Whistle Blower Policy</p>	<p>Not adopted as the Company does not have any employee.</p>

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

Hyderabad
August 16, 2010

Prasad V. Potluri
(Director)

R. Nagarajan
(Director)

Certification in terms of Clause 49(V) of the listing agreement

July 30, 2010

The Board of Directors

Telephoto Entertainments Limited

Dear Sirs,

We, Prasad V. Potluri and Deepak Nagori, Directors of Telephoto Entertainments Limited ("the Company") certify to the Board in terms of the requirement of Clause 49(V) of the listing agreement, that we have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2010 and that to the best of our knowledge and belief, we state that:

- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (iii) There are no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (iv) We accept the responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and the steps taken for or proposed to be taken for rectifying these deficiencies.
- (v) We do further certify that during the year there has been:
 - (a) no significant changes in internal controls during the year;
 - (b) no significant changes in accounting policies during the year; and
 - (c) no instances of significant fraud of which we have become aware.

Prasad V. Potluri
(Director)

Deepak Nagori
(Director)

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

M/s. Telephoto Entertainments Limited

We have examined the compliance of conditions of corporate governance by Telephoto Entertainments Limited ("the Company") for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our review of the relevant records and documents furnished to us and the report on Corporate Governance as approved by the Board of Directors and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreements. We also state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records of the Company.

V. Mahesh
Company Secretary in Practice
CP.2473

Place : Chennai

Date: 16.08.2010

Standalone Financial Statements and Notes

For Members Use

AUDITOR'S REPORT

To

The Members of Telephoto Entertainments Ltd

1. We have audited the attached Balance Sheet of TELEPHOTO ENTERTAINMENTS LTD, KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai -600031 as at 31st March 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is invited to Note No 1(C) in Schedule J (Notes on Accounts) The Company has been incurring cash losses for the past 4 years as there is no significant business income to meet the operating and administration expenses. The Company has no fixed assets and has had no business operations over the past four years. As on the 31st March 2010 the Company's current liabilities exceeded its total assets by Rs 6.76 lacs. The company has given interest free loan to the extent of Rs 452.11 lacs to 100% subsidiary company PVP Screens Private limited (Formerly AGS Properties Development India Private Limited). The subsidiary has a negative net worth and does not have any income earning assets. The Company's ability to continue as a going concern depends on future business options and financial support from the holding company. These conditions, indicate the*

TELEPHOTO ENTERTAINMENTS LIMITED

existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

5. Further to our comments in paragraph 4 and the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the company, so far as appears from our examination of the books.
 - (iii) The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2010 from being appointed as a director of the Company in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the balance sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (b) In the case of the profit and loss account, of the loss of the Company for the year ended on that date; and
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm Registration No. 003990S

V. Kothandaraman
Partner
Membership No.: 25973

Place: Chennai Date: July 30, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH '3'
OF THE AUDITORS' REPORT TO THE
MEMBERS OF TELEPHOTO ENTERTAINMENTS
LTD ON THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH 2010**

- (i) The Company does not have any fixed assets and hence clause (i) of this order is not applicable.
- (ii) The Company does not have any physical inventory and hence clause (ii) of this order is not applicable
- (iii)
- (a) *The Company has granted unsecured interest free loans to one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year and the yearend balance of such loans aggregates to Rs.452.11 lacs and Rs.452.11 lacs respectively. In our opinion since such loans were granted without any stipulations as regards repayment of principal or interest, commenting on whether the rate of interest, repayment terms are prima facie prejudicial to the interest of the company and whether they are overdue does not arise.*
- (b) *The Company has taken an unsecured loan from another company covered in the Register maintained under section 301 of the companies Act 1956. The maximum amount involved during the year and the yearend balance of such loans aggregates to Rs.2.03 lacs and Rs.2.03 lacs respectively. The loan taken is interest free. Since there are no stipulations as regards repayment of principal, commenting on repayment of such amount due does not arise.*
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and purchase and sale of goods and services. On the basis of our examination and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v)
- (a) Based on the audit procedures applied by us

TELEPHOTO ENTERTAINMENTS LIMITED

and according to the information and explanations provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.

- (b) According to the information and explanations given to us, there are no transactions entered in the Register pertaining to such contracts or arrangements exceeding the value of five lakh rupees.
- (vi) The Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Act and the rules made there under.
- (vii) *In our opinion, the Company does not have an internal audit system.*
- (viii) The Company is not required to maintain cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix)
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including, income-tax, sales tax, service tax, cess and other material statutory dues applicable to it with the appropriate authorities *except for minor delays in depositing Tax deducted at source and Fringe Benefit Tax*. Statutory dues in respect of provident fund, customs duty, excise duty, investor education and protection fund and employees state insurance are not applicable to the Company.
- (b) According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of Income Tax, Service Tax, and cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
- (c) There are no dues of Income Tax, Salex Tax, Service Tax and Cess that have not been deposited on account of any dispute.
- (x) *The Company has been registered for a period of not less five years. Its accumulated losses at the end of the financial year are not less than fifty percent of its net worth and it*

TELEPHOTO ENTERTAINMENTS LIMITED

has incurred cash losses in the current year and the immediately preceding financial year also.

- (xi) Based on our audit procedure and as per the information and explanations given by the management, the Company has no dues to any financial institutions, banks or debenture holders and hence the question of default in repayment does not arise.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, accordingly paragraph 4 (xii) of the Order is not applicable.
- (xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of special statute relating to chit fund etc., are applicable, accordingly paragraph 4 (xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us and the records of the Company examined by us, the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and hence paragraph 4 (xvi) of the Order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that, during the year, short-term funds have not been used to finance long-term investments.
- (xviii) The Company has not made any preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act 1956 during the year.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not made any public issue during the year.

- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March 2010.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm Registration No 003990S

V.Kothandaraman
Partner
Membership No.: 25973

Place: Chennai
Date: 30th July 2010

TELEPHOTO ENTERTAINMENTS LIMITED

Balance Sheet as at March 31, 2010

	Schedules	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
1 SHARE HOLDERS FUNDS			
Share Capital	A	61,366,110	61,366,110
Reserves & Surplus	B	20,537,500	20,537,500
2 LOAN FUNDS			
Unsecured Loans	C	2,03,102	-
TOTAL		82,106,712	81,903,610
APPLICATION OF FUNDS			
1 INVESTMENTS			
	D	-	-
2 CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank balances	E	161,492	320,957
Loans and advances	F	471,549	468,081
		633,041	789,038
Less: Current Liabilities and Provisions			
Current Liabilities	G	1,309,003	1,076,460
Provisions		-	33,825
		1,309,003	1,110,825
Net Current Assets		(675,962)	(321,247)
PROFIT AND LOSS ACCOUNT			
TOTAL		82,782,674	82,224,857
NOTES TO ACCOUNTS	J		

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For PKF Sridhar & Santhanam
Chartered Accountants
Firm. Reg. No. 003990S
V. Kothandaraman
Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

N.S. Kumar
Director

R. Nagarajan
Director

Deepak Nagori
Director

Sneha Dalia
Company Secretary

TELEPHOTO ENTERTAINMENTS LIMITED

TELEPHOTO ENTERTAINMENTS LIMITED

Profit & Loss Account for the year ended March 31, 2010

	Schedules	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Other Income	H	128,141	207,998
Total		128,141	207,998
EXPENDITURE			
Operating, Administration and Other Expenses	I	685,958	46,390,816
		685,958	46,390,816
Profit/(Loss) before Interest, Depreciation & Tax		(557,817)	(46,182,818)
Interest and Finance Charges		-	-
		(557,817)	(46,182,818)
Less: Prior year adjustment		-	1,680,336
Profit/(Loss) before Tax		(557,817)	(47,863,154)
Less: Provision for Tax :			
- Fringe Benefit Tax for earlier years		-	23,260
Profit/(Loss) after tax		(557,817)	(47,886,414)
Profit & (Loss) brought forward from earlier year		(82,224,857)	(34,338,443)
Balance Carried to Balance Sheet		(82,782,674)	(82,224,857)
NOTES TO ACCOUNTS	J		
Earnings per Share (Refer Note 16 in Schedule J)			
Basic		(0.09)	(7.80)
Diluted		(0.09)	(7.80)
Face Value per equity share		10.00	10.00

The Schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm. Reg. No. 003990S
V. Kothandaraman
Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

N.S. Kumar
Director

Sneha Dalia
Company Secretary

R. Nagarajan
Director

Deepak Nagori
Director

TELEPHOTO ENTERTAINMENTS LIMITED
Cash Flow Statement for the year ended March 31, 2010 (Amount in Rs.)

	March 31, 2010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(557,817)	(47,863,154)
Adjustments for:		
Depreciation	-	-
Provision for diminution in value of Investment	-	300,000
Interest paid	-	-
Interest received	(25,531)	(6,890)
Prior Period Adjustment	-	-
Operating Profit Before Working Capital changes	(583,348)	(47,570,044)
Adjustments for:		
Provision for Advances extended to subsidiary	-	45,211,000
TDS/ Advance Tax written off	(3,468)	1,611,722
Other Decrease in Loans & Advances	-	-
Increase in Trade payable	198,718	552,744
Cash Generated from Operations	(388,098)	(194,578)
Direct Taxes paid	-	-
Net Cash from Operating Activities	(388,098)	(194,578)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/addition to Fixed Assets including capital advances	-	-
Expenditure during construction period	-	-
Interest received	25,531	6,890
Net Cash used in Investing Activities	25,531	6,890
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	-	-
Issue of Share Capital	-	-
Proceeds from Long Term Borrowings (Net)	203,102	-
Net Cash from Financing Activities	203,102	-
Net increase in cash and cash equivalents	(159,466)	(187,688)
Cash and cash equivalents at the beginning of the year	320,957	508,645
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	161,492	320,957

This is the Cash Flow Statement referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants

Firm. Reg. No. 003990S

V. Kothandaraman

Partner

M No : 25973

Place: Chennai

Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri

Director

N.S. Kumar

Director

R. Nagarajan

Director

Deepak Nagori

Director

Sneha Dalia

Company Secretary

TELEPHOTO ENTERTAINMENTS LIMITED

Schedules to the Balance Sheet

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
1,20,00,000 Equity Shares of Rs.10/- each.	120,000,000	120,000,000
ISSUED, SUBSCRIBED & PAIDUP CAPITAL		
61,36,611 Equity Shares of Rs. 10 each fully paid-up (Of which 33,53,114 Shares are held by PVP Ventures Ltd and 6,85,487 shares are held by PVP Energy Private Ltd, a 100% subsidiary of PVP Ventures Ltd)	61,366,110	61,366,110
	61,366,110	61,366,110
SCHEDULE - B		
RESERVES & SURPLUS		
Capital Reserve	2,287,500	2,287,500
Securities Premium	18,250,000	18,250,000
	20,537,500	20,537,500
SCHEDULE - C		
UNSECURED LOANS		
PVP Ventures Limited (Holding Company)	203,102	-
	203,102	-
SCHEDULE - D		
INVESTMENTS in Subsidiaries		
(Valued at cost) - Trade and Unquoted		
PVP Screens Private Limited		
30,000 equity shares of Rs.10/- each	300,000	300,000
Less: Provision for diminution in value of investment	(300,000)	(300,000)
Telephoto International Pte.Ltd., Singapore*		
10,000 Ordinary Shares of \$1/- each	-	266,500
Less: Provision for Diminution in value of Investment	-	(266,500)
*Note: This company has been struck off from the records of Accounting Corporate Regulatory Authority (ACRA) of Singapore with effect from 15.01.2010. Hence the investment netted off against provisions during the year	-	-
SCHEDULE - E		
CASH & BANK BALANCES		
Cash on hand	-	-
Balance with Scheduled Banks		
- in current accounts	161,492	320,957
	161,492	320,957

TELEPHOTO ENTERTAINMENTS LIMITED

Schedules to the Balance Sheet

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE - F		
LOANS & ADVANCES		
(Unsecured and Considered good, unless otherwise stated)		
- Considered good	-	-
- Considered doubtful	45,211,000	45,211,000
	45,211,000	45,211,000
Less: Provision for doubtful advances	45,211,000	45,211,000
	-	-
Advance Income Tax/TDS	471,549	468,081
	471,549	468,081
SCHEDULE - G		
CURRENT LIABILITIES		
Unearned Income	1,147,390	1,000,000
Sundry Creditors		
- Outstanding dues of Micro and Small enterprises (Refer note 17 in schedule J)	148,152	75,176
- Others	13,461	1,284
	1,309,003	1,076,460
B) PROVISIONS		
Provision for FBT	-	33,825
	-	33,825

Schedules to the Profit and Loss Account

	For the year ended 31.03.2010 (Rs.)	For the year ended 31.03.2009 (Rs.)
SCHEDULE - H		
OTHER INCOME		
Interest earned (TDS Rs 3468 (PY Rs 1,308))	25,531	6,890
Interest on Income Tax Refund	-	101,108
Miscellaneous Receipts	102,610	100,000
	128,141	207,998
SCHEDULE - I		
OPERATING, ADMINISTRATION & OTHER EXPENSES		
Travelling & Conveyance	650	-
Investor Services	142,071	301,923
Legal & Consultancy Charges	97,211	55,216
Directors Sitting Fees	174,560	110,000
Other Expenses	144,621	256,419
Provision for diminution in value of investment	-	300,000
Provision for diminution in value of advance	-	45,211,000
Audit Fees - Statutory Audit	82,725	55,150
- Other Services	44,120	-
Pre-takeover obligations written off	-	101,108
	685,958	46,390,816

Schedules forming part of the financial statements for the year ended March 31, 2010**Schedule J: Significant Accounting Policies and Notes on Accounts:****Significant Accounting Policies****1. Basis of preparation of financial statements**

- A) The financial statements of the Company have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956, to the extent applicable
- B) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates.
- C) Going Concern:

The Company did not carry any business activities during the last four years. However, the management has been exploring various options to enter into media financing activities in near future. The Company's ability to continue as a going concern depends on the future endeavours of the management and the requisite financial support from its Holding company, PVP Ventures Limited.

- D) The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

2. Revenue Recognition:

As a consistent practice, the Company recognizes revenue on an accrual basis upon rendering of service.

3. Accounting of Expenditure:

Expenses are accounted on an accrual basis. Provisions have been made for all known losses and liabilities as on the date of the financial statements.

4. Benefits to employees:

There were no employees during the year

5. Foreign Currency Transactions:

All foreign currency transactions are accounted

for at the rates prevailing on the dates of the transaction. Foreign currency liabilities are converted at the yearend rates as applicable. The exchange difference on settlement / conversion is adjusted to Profit and Loss account.

6. Taxes on Income:

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

7. Borrowing Cost:

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan. The Company does not have any borrowing cost during the current year.

8. Impairment of Assets:

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which the impairment takes place. The company does not have Fixed Assets - Tangible or Intangible.

9. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only

TELEPHOTO ENTERTAINMENTS LIMITED

those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Notes to the Accounts

10. Contingent Liabilities:

The estimated amount of contracts remaining to be executed on capital account as at March 31, 2010 is Rs. Nil (Previous year Rs. Nil)

11. Quantitative details:

The quantitative details as required under paragraphs 4(D) (III) of part II of schedule VI to the Companies Act, 1956 are not applicable

12. Imports (Value on CIF basis) [on payment basis] - NIL (Previous year - NIL)

13. Expenditure in Foreign Exchange:

During the year the Company has incurred an expenditure of Rs.75,064/- (Previous Year - Rs.140,372)

14. Related party transactions:

The list of related parties where control exists and related parties with whom transactions have taken place and relationships are as follows:

Description of Relationship	Names of Related parties
Holding Company	PVP Ventures Limited (54.64%)
Subsidiary Companies	PVP Screen Private Ltd. (100%) Telephoto International Pte Ltd (100%)-struck off w.e.f. 15.1.2010
Key Management Personnel:	Mr. Prasad V. Potluri Mr. Deepak Nagori

Summary of transactions with related parties during the year are as follows : (Rs. in lakhs)

Nature of transactions	Transactions for the		Balance as at	
	Year ended March 31,2010	Year ended March 31,2009	March 31,2010	March 31,2009
Loan Given to PVP Screens Private Limited	Nil	Nil	452.11	452.11
Loan received from PVP Ventures Ltd	2.03	Nil	2.03	Nil
Provision for advances given to PVP Screens	Nil	452.11	452.11	452.11
Write off of investments in 100% subsidiary Telephoto International Pte Ltd which was provided in earlier yrs.	2.67	Nil	Nil	Nil

15. Provision for taxation:

No tax provision is made for the period, as the Company does not have any taxable profit. The provisions of Section 115 JB of the Income Tax act, 1961 is not applicable for the current year, as the Company does not have any book profits as defined under that Section.

16. Earnings per Share:

Particulars	Ref	Year ended March 31,2010	Year ended March 31,2009
Profit after Tax (Rs. in lakhs)	A	(5.57)	(478.86)
Number of shares outstanding	B	61,36,611	61,36,611
Effect of dilutive issue of stock options	C	Nil	Nil
Number of shares outstanding including potential shares	D	61,36,611	61,36,611
Earnings per share-Basic (Rs.)	A*100000/B	(0.09)	(7.80)
Earnings per share-Diluted (Rs.)	A*100000/D	(0.09)	(7.80)

17. The Company has not received any intimation from Suppliers, regarding their status under Micro, Small Enterprises Development Act, 2006 and hence disclosure of any relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.

18. Name of Telephoto International Pte Limited, Singapore, (TIPL) 100% subsidiary of the Company was struck off from the records of the Accounting and Corporate Regulatory Authority, Singapore, w.e.f. January 15, 2010 and hence TIPL ceased to be in existence effective from this date.

19. The Company has not entered into any Derivative transactions during the year. There are no outstanding foreign currency exposures.

20. The Company does not have a Managing Director or whole time director as there are no operations in the company at present. However, once the future endeavours of the management starts bearing results, the Company would make suitable appointment(s).

21. Auditor's Remuneration including Service Tax

Description	Year ended March 31, 2010 (Rs. in Lakhs)	Year ended March 31, 2009 (Rs. in Lakhs)
Statutory Audit Fees	0.82	0.55
Other Services	0.44	Nil

TELEPHOTO ENTERTAINMENTS LIMITED

22. Disclosure made in terms of clause 32 of the listing agreement with Stock exchange:

Particulars	Name of the company	Amount outstanding as on 31.3.2010 (Rs.)	Maximum amount due at any one time during the year (Rs.)
A) Loans and advances			
Loans and advances in the nature of loans made to subsidiary company.	PVP Screens Pvt Ltd (100% Subsidiary)	45,200,000	45,200,000
Loans and advances in the nature of loans made to associate company	-	-	-
Loans and advances in the nature of loans where there is.			
a) No repayments schedule or repayment beyond seven year(or)	PVP Screens Pvt Ltd (100% Subsidiary)	45,200,000	45,200,000
b) No Interest or interest below section 372A of the Companies Act.	PVP Screens Pvt Ltd (100% Subsidiary)	45,200,000	45,200,000
Loans and advances in the nature of loans made to firms/companies in which Directors of the company are interested.	Nil	Nil	Nil
B) Investments by the company			
I) In Subsidiary Company	PVP Screens Pvt Ltd (100% Subsidiary)	300,000	Nil
II) In Subsidiary Company	Telephoto International Pte Ltd (100% Subsidiary) (During the year company is wound up, so the Investments are completely written off)	Nil	266,500
a) Investment by the loanee in the shares of the parent company and subsidiary company when the company has made a loan or advance in the nature of Loan-	Nil	Nil	Nil

23. Previous year's figures have been re-grouped wherever necessary to conform to the Current year's classification.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm. Reg. No. 003990S
V. Kothandaraman
Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

N.S. Kumar
Director

R. Nagarajan
Director

Deepak Nagori
Director

Sneha Dalia
Company Secretary

Balance Sheet Abstract And Company's General Business Profile**i. Registration Details**

Registration No.	:	044077	State Code	:	18
Balance Sheet Date	:	31.03.2010			

ii. Capital raised during the year (Amount in Rs. Lacs)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs.Lacs)

Total Liabilities	:	821.06	Total Assets	:	821.06
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Source of Funds

Paid-up Capital	:	613.66	Reserves & Surplus	:	205.37
Secured Loans	:	NIL	Unsecured Loans	:	NIL

Application of Funds

Net Fixed Assets	:	NIL	Investments	:	NIL
Net Current Asset	:	(6.76)	Miscellaneous Expenditure:	:	NIL
Accumulated Losses	:	827.82			

iv. Performance of Company (Amount in Rs. Lacs)

Turnover/Income	:	1.28	Total Expenditure	:	6.85
Profit/(Loss) Before Tax	:	(5.57)	Profit/(Loss) After Tax	:	(5.57)
Earnings per share in Rupees	:	(0.09)	Dividend Rate %	:	Nil

v. Generic Names of three Principal Products/Service of Company

Item Code No. (ITC Code)	:	N.A.	Product Description	:	N.A.
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For and on behalf of the Board

Prasad V. Potluri	Director
R. Nagarajan	Director
N. S. Kumar	Director
Deepak Nagori	Director
Sneha Dalia	Company Secretary

Place: Chennai
Date: July 30, 2010

Consolidated Financial Statements and Notes

For Members Use

AUDITOR'S REPORT

To

The Board of Directors of TELEPHOTO ENTERTAINMENTS LTD

We have audited the attached consolidated Balance Sheet of TELEPHOTO ENTERTAINMENTS LTD ('the Company') and its subsidiaries (collectively called 'the Telephoto Group') as at March 31, 2010, the consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets of Rs. 476.34 Lacs as at March 31, 2010, total revenues of Rs. 0.40 lac and total net cash outflow of Rs 1.06 Lacs for the year ended on that date as considered in the consolidated financial statements. These financial statements have been audited by another auditor whose report has been furnished to us, and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the report of the other auditors.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, as mandated by Companies (Accounting Standards) Rules 2006 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Telephoto Entertainments Ltd

TELEPHOTO ENTERTAINMENTS LIMITED

and its subsidiaries.

4. *Attention is invited to Note No 1(C) in Schedule J (Notes on Accounts) The Telephoto Group has been incurring cash losses for the past 4 years as there is no significant business income to meet the operating and administration expenses. The Telephoto Group has no fixed assets and has had no business operations over the past four years. As on the 31st March 2010 the Telephoto Group current liabilities exceeded its total assets by Rs 4.64 lacs. The Telephoto Group's net worth has fully eroded. The Telephoto Group's ability to continue as a going concern depends on future business options and financial support from the holding company. These conditions, indicate the existence of a material uncertainty that may cast significant doubt about the Telephoto Group's ability to continue as a going concern.*
5. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements, of Telephoto Entertainments Ltd and its subsidiaries, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Telephoto Group as at March 31, 2010;
 - (ii) in the case of consolidated Profit and Loss Account, of the loss of the Telephoto Group for the year ended on that date; and
 - (iii) in the case of consolidated Cash Flow Statement, of the cash flows of the Telephoto Group for the year ended on that date.

For **PKF Sridhar & Santhanam**
Chartered Accountants
Firm Registration No. 003990S

V. Kothandaraman
Partner
Membership No.: 25973

Place: Chennai
Date: July 30, 2010

TELEPHOTO ENTERTAINMENTS LIMITED
TELEPHOTO ENTERTAINMENTS LIMITED
Consolidated Balance Sheet as at March 31, 2010

	Schedules	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
1 SHAREHOLDERS' FUNDS			
Share Capital	A	61,366,110	61,366,110
Reserves & Surplus	B	20,537,500	20,537,500
2 LOAN FUNDS			
Unsecured Loans	C	2,326,342	-
TOTAL		84,229,952	81,903,610
APPLICATION OF FUNDS			
1 INVESTMENTS			
	D	-	-
2 CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank balances	E	444,815	710,529
Loans and advances	F	479,314	476,742
		924,129	1,187,271
Less: Current Liabilities and Provisions			
Current Liabilities	G	1,367,493	1,182,804
Provisions		21,064	2,098,014
		1,388,557	3,280,818
Net Current Assets		(464,428)	(2,093,547)
PROFIT AND LOSS ACCOUNT			
		84,694,380	83,997,157
TOTAL		84,229,952	81,903,610
NOTES TO ACCOUNTS			
	J		

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.
This is the Consolidated Balance Sheet referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants

Firm. Reg. No. 003990S

V. Kothandaraman

Partner

M No : 25973

Place: Chennai

Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri

Director

N.S. Kumar

Director

R. Nagarajan

Director

Deepak Nagori

Director

Sneha Dalia

Company Secretary

TELEPHOTO ENTERTAINMENTS LIMITED

Consolidated Profit & Loss Account for the year ended March 31, 2010

	Sche- dules	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
INCOME			
Other Income	H	168,641	17,451,232
Total		168,641	17,451,232
EXPENDITURE			
Operating, Administration and Other Expenses	I	865,864	62,968,426
		865,864	62,968,426
Profit/(Loss) before Interest, Depreciation & Tax		(697,223)	(45,517,194)
Interest and Finance Charges		-	-
Depreciation		-	-
		(697,223)	(45,517,194)
Less: Prior year adjustment		-	1,680,336
Profit/(Loss) before Tax		(697,223)	(47,197,530)
Transferred to Expenditure during construction period		-	-
		(697,223)	(47,197,530)
<u>Less: Provision for Tax :</u>			
- Corporate Tax		-	2,043,125
- Fringe Benefit Tax for earlier years		-	23,260
		(697,223)	(49,263,915)
Profit & (Loss) brought forward from earlier year		(83,997,157)	(34,733,242)
Balance Carried to Balance Sheet		(84,694,380)	(83,997,157)
NOTES TO ACCOUNTS	J		
Earnings per Share (Refer Note 19 in Schedule J)			
Basic		(0.11)	(8.03)
Diluted		(0.11)	(8.03)
Face Value per equity share		10.00	10.00

The Schedules referred to above form an integral part of the Consolidated Profit and Loss Account. This is the Consolidated Profit and Loss Account referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm. Reg. No. 003990S
V. Kothandaraman
Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

N.S. Kumar
Director

R. Nagarajan
Director

Deepak Nagori
Director

Sneha Dalia
Company Secretary

TELEPHOTO ENTERTAINMENTS LIMITED
TELEPHOTO ENTERTAINMENTS LIMITED
Consolidated Cash Flow Statement for the year ended March 31, 2010 (Amount in Rs.)

	March 31, 2010	March 31, 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(697,223)	(47,197,530)
Adjustments for:		
Interest received	(25,531)	7,557
Interest Paid	66,875	-
Liabilities written back	(40,500)	-
Gain on sale of Assets	-	17,242,567
Operating Profit Before Working Capital changes	(696,379)	(64,447,654)
Adjustments for:		
Other Current Assets	-	-
Loans and Advances	(2,573)	2,128,299
Trade payable	225,189	(10,711,878)
Cash Generated from Operations	(473,763)	(73,031,234)
Interest paid	-	-
Direct Taxes paid	(2,076,950)	-
Net Cash from Operating Activities	(2,550,713)	(73,031,234)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase/addition to Fixed Assets including capital advances	-	(9,765,116)
Expenditure during construction period	-	-
Sale of Assets	-	222,146,556
Interest received	25,531	7,557
Net Cash used in Investing Activities	25,531	212,388,997
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(66,875)	-
Issue of Share Capital	-	-
Proceeds from Long Term Borrowings (Net)	2,326,342	(142,055,386)
Net Cash from Financing Activities	2,259,467	(142,055,386)
Net increase in cash and cash equivalents	(265,714)	(2,697,622)
Cash and cash equivalents at the beginning of the year	710,529	3,408,151
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	444,815	710,529

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm. Reg. No. 003990S

V. Kothandaraman

Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

N.S. Kumar
Director

R. Nagarajan
Director

Deepak Nagori
Director

Sneha Dalia
Company Secretary

TELEPHOTO ENTERTAINMENTS LIMITED

TELEPHOTO ENTERTAINMENTS LIMITED

Schedules forming part of the Consolidated Balance Sheet

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED CAPITAL 1,20,00,000 Equity Shares of Rs.10/- each.	120,000,000	120,000,000
ISSUED, SUBSCRIBED & PAIDUP CAPITAL 61,36,611 Equity Shares of Rs. 10 each fully paid-up (Of which 33,53,114 Shares are held by PVP Ventures Ltd & 6,85,487 Shares are held PVP Energy Private Ltd which is 100% subsidiary of PVP Ventures Ltd)	61,366,110	61,366,110
	61,366,110	61,366,110
SCHEDULE - B		
RESERVES & SURPLUS		
Capital Reserve	2,287,500	2,287,500
Securities Premium	18,250,000	18,250,000
Profit & Loss Account	-	-
	20,537,500	20,537,500
SCHEDULE - C		
UNSECURED LOANS		
Unsecured loan from Holding Company-PVP Ventures Ltd	2,326,342	-
	2,326,342	-
SCHEDULE - D		
INVESTMENTS in Subsidiaries		
(Valued at cost) - Trade and Unquoted Telephoto International Pte.Ltd., Singapore* 10,000 Ordinary Shares of \$1/- each	-	266,500
Less: Provision for Diminution in value of Investment	-	266,500
*Note: This company has been struck off from the records of Accounting Corporate Regulatory Authority (ACRA) of Singapore with effect from 15.01.2010. Hence the investment netted off against provisions during the year	-	-
	-	-
SCHEDULE - E		
CASH & BANK BALANCES		
Cash on hand	-	-
Balance with Scheduled Banks in current accounts	444,815	710,529
	444,815	710,529
SCHEDULE - F		
LOANS & ADVANCES		
(Unsecured and Considered good, unless otherwise stated)		
- Considered good	-	897
- Considered doubtful	62,000,000	62,000,000
	62,000,000	62,000,897
Less: Provision for doubtful advances	62,000,000	62,000,000
	-	897
Advance Income Tax/TDS	479,314	475,845
	479,314	476,742

TELEPHOTO ENTERTAINMENTS LIMITED

TELEPHOTO ENTERTAINMENTS LIMITED

Schedules forming part of the Consolidated Balance Sheet & Profit and Loss Account

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE - G		
CURRENT LIABILITIES		
Unearned Income	1,147,390	1,000,000
Sundry Creditors		
- Outstanding dues of Micro and Small enterprises (Refer note 20 in schedule J)	197,787	178,872
- Others	22,316	3,932
	1,367,493	1,182,804
B) PROVISIONS		
Provision for Corporate Tax	-	2,043,125
Provision for FBT	-	33,825
Provision for ULT	21,064	21,064
	21,064	2,098,014
SCHEDULE - H		
OTHER INCOME		
Interest earned	25,531	7,557
Interest on Income Tax	-	101,108
Miscellaneous Receipts	102,610	100,000
Gain on Sale of Asset	-	17,242,567
Liabilities Written Off	40,500	-
	168,641	17,451,232
SCHEDULE - I		
OPERATING,ADMINISTRATION & OTHER EXPENSES		
Rates & Taxes	-	(68,458)
Communication	30	-
Printing & Stationery	262	-
Travelling & Conveyance	1,547	-
Investor Services	142,071	301,924
Legal & Consultancy Charges	114,180	66,219
Directors Sitting Fees	174,560	110,000
Audit Fees - Statutory Audit	137,875	110,300
- Other Services	77,519	-
Bank Charges	3,773	16,581
Miscellaneous Expenses	7,500	616
Notices & Results Publication Expenses	74,468	32,707
AGM Expenses	55,770	139,273
Corporate Administration Charges	8,000	61,000
Interest on Income Tax	66,875	-
EGM Expenses	-	24,353
Filing Expenses	1,434	1,170
Bad Debts	-	73,465
Project Development Expenses	-	(1,832)
Provision for diminution in value of investments	-	62,000,000
Pre-takeover obligations written off	-	101,108
	865,864	62,968,426

**Schedules forming part of the Consolidated Financial Statements
for the year ended March 31, 2010**

**Schedule J: Significant Accounting Policies
and Notes on Accounts:**

Significant Accounting Policies

1. Basis of preparation of financial statements

- A) The financial statements of the Group have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956, to the extent applicable
- B) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The actual results could differ from those estimates. Examples of such estimates include future obligations under employee retirement benefit plans and the useful life of the fixed assets.
- C) **Going Concern:**
The Group did not carry any business activities during the last four years. However, the management has been exploring various options to enter into media financing activities in near future. The Company's ability to continue as a going concern depends on the future endeavours of the management and the requisite financial support from its Holding Company, PVP Ventures Limited.
- D) **Principles of Consolidation:**
The Group's consolidated financial statements include those of Telephoto Entertainments Limited and PVP Screens Private Limited (100% Subsidiary). All significant intercompany transactions and balances have been eliminated in the consolidated statements. The name of Telephoto International Pte Limited, Singapore, (TIPL) another 100% subsidiary, was struck off from the records of the Accounting and Corporate Regulatory Authority, Singapore, on January 15, 2010

and hence TIPL has ceased to be in existence from this date. Accordingly, TIPL has not been considered for consolidation purposes.

2. Revenue Recognition

As a consistent practice, the Group recognizes revenues on an accrual basis.

3. Accounting of Expenditure

Expenses are accounted on an accrual basis. Provisions have been made for all known losses and liabilities as on the date of the financial statements.

4. Fixed Assets and Depreciation

Fixed Assets are stated at acquisition cost. Depreciation is charged on a pro-rata basis on a straight-line method as per the rates and in the manner prescribed under the Schedule XIV to the Companies Act, 1956, as amended. Expenditure on maintenance, repairs and renewals of minor items are generally charged to revenue as incurred. Upon sale or write off of assets, the cost of the assets and the accumulated depreciation on such assets are eliminated from the Fixed Assets block. The profit / loss on sale of assets are included in the earnings statement.

5. Benefits to employees

There were no employees in the Group during the year.

6. Foreign Currency Transactions

All foreign currency transactions are accounted for at the rates prevailing on the dates of the transaction. Foreign currency liabilities are converted at the year end rates as applicable. The exchange difference on settlement / conversion is adjusted to Profit and Loss account.

7. Taxes

Tax expense comprises current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant tax laws. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only

TELEPHOTO ENTERTAINMENTS LIMITED

to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

8. Leases

The Group has not entered into any operating lease for hiring office premises during the year.

9. Investments

Investments are classified into current and long-term investments. Current investments are stated at the lower of cost and fair value. Long-term investments are carried at cost less provision made, if any, for the decline in the value of such investments.

10. Inventory Valuation

There are no inventories during the year.

11. Borrowing Cost

Expenditure on borrowing cost on the loans obtained for acquisition, construction or production of capital assets are capitalized as part of the cost of the assets.

12. Segment Reporting

The Holding Company, Telephoto Entertainments Limited operates only in entertainment segment, whereas PVP Screens Private Limited, the subsidiary, did not have any commercial activity during the year. Hence segment reporting for this year is not applicable.

13. Impairment of Assets

The Group reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which the impairment takes place.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Group has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Notes to the Accounts

15. Contingent Liabilities:

The estimated amount of contracts remaining to be executed on capital account in the Subsidiary Company as at March 31, 2010 is Rs. Nil (Previous year Rs. Nil)

16. The Holding Company does not have a Managing Director or Wholetime Director as there are no operations in the Company at present. However, once the future endeavours of the management starts bearing results, the Company would make suitable appointments.

17. Related party transactions

Related Parties

Description of Relationship	Names of Related parties
Holding Company	PVP Ventures Limited (54.64%)
Company where common control's Exist	Arete Real Estate Developers pvt. ltd. Hercules Real Estate Developers Pvt. Ltd.
Key Management Personnel:	Mr. Prasad V. Pottluri Mr. Deepak Nagori

Summary of transactions with the above-related parties are as follows:

(Rs. in Lakhs)

Nature of transactions	Transactions for the year ended		Balance as at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Loans received from PVP Ventures Limited	23.26	Nil	Nil	Nil
Loans repaid to PVP Ventures Limited	Nil	592.53	Nil	Nil
Advances given for share application to				
a) Arete Real Estate Developers Pvt Ltd	Nil	370.00	370.00	370.00
b) Hercules Real Estate Developers Pvt Ltd	Nil	250.00	250.00	250.00
Provision for advances given share Application				
a) Arete Real Estate Developers Pvt Ltd	Nil	370.00	370.00	370.00
b) Hercules Real Estate Developers Pvt Ltd	Nil	250.00	250.00	250.00

TELEPHOTO ENTERTAINMENTS LIMITED

18. Provision for taxation

There is no provision for taxation during the year.

19. Earnings per Share

Particulars	Ref	Year ended March 31,2010	Year ended March 31,2009
Profit after Tax (Rs. in Lakhs)	A	(6.97)	(492.64)
Number of shares outstanding	B	61,36,611	61,36,611
Effect of dilutive issue of stock options	C	Nil	Nil
Number of shares outstanding including potential shares	D	61,36,611	61,36,611
Earnings per share-Basic (Rs.)	A*100000/B	(0.11)	(8.03)
Earnings per share-Diluted (Rs.)	A*100000/D	(0.11)	(8.03)

20. The Company has not received any intimation from Suppliers, regarding their status under Micro & Small Enterprises Development Act, 2006 and hence disclosure of any relating to amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.

For PKF Sridhar & Santhanam

Chartered Accountants
Firm. Reg. No. 003990S
V. Kothandaraman
Partner
M No : 25973

Place: Chennai
Date : July 30, 2010

21. List of Subsidiaries & Proportion of Voting power held :

Name of Subsidiary	Country of incorporation / Residence	Proportion of Ownership interest / Proportion of Voting power held
PVP Screens Private Limited	India	100 % (Wholly owned Subsidiary)

22. Derivatives and foreign currency exposure:

The Company has not entered into any derivative contracts during the year under review and also does not have any foreign currency exposure as at March 31, 2010.

23. Previous year's figures have been re-grouped wherever necessary to conform to the current year's classification.

For and on behalf of the Board of Directors

Prasad V. Potluri
Director

R. Nagarajan
Director

N.S. Kumar
Director

Deepak Nagori
Director

Sneha Dalia
Company Secretary

For Members Use

PVP SCREENS PRIVATE LIMITED
ANNUAL REPORT
2009 - 10

DIRECTORS' REPORT

The Directors place before you the Sixth Annual Report of the Company, together with the Audited Accounts for the financial year ended March 31, 2010.

Business Review

During the financial year, the Company did not carry out any business activities.

Dividend

In view of losses, no dividend is recommended for the financial year.

Deposits

The Company, during the financial year, has not accepted any deposits.

Directors

As on date, the Board of Directors comprises of Mr. Prasad V. Potluri, Mr. Arasu V.R. and Mr. Deepak Nagori.

Pursuant to the provisions of section 255 of the Act, Mr. Deepak Nagori, retires by rotation in the ensuing AGM and being eligible, offers himself for reappointment.

Auditors

M/s. S. Ramakrishnan Associates, Chartered Accountants, Chennai, the retiring Auditors have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company at the ensuing Annual General Meeting. Hence, it is proposed to appoint M/s. CNGSN & Associates, Chartered Accountants, as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Company has received a letter from M/s. CNGSN & Associates, Chartered Accountants, confirming that their appointment, 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 appointment within the meaning of Section 226 of the said Act. Necessary resolution for their appointment is incorporated in the Notice calling the AGM.

Auditors Report

The Auditors Report together with the Audited Accounts for the year ended March 31, 2010 is attached to this report. As regards to the observations of the Auditors in the Auditors' Report, the management comments are as follows:

Observations on the financial statements

- (i) Board's comments on the para 5 (vi) of the

Auditors' Report

The holding Company shall continue to support the Company for meeting its operational expenses till a feasible business plan is worked out for the company.

- (ii) Board's comments on point 5(vii) of the Auditors' Report

In view of the downturn in the real estate industry, it is felt that the provision for diminution in value of the investments be continued.

- (iii) Board's comments on point iii(a) of the Annexure to Auditors' Report

Since the amount is paid as share application money and not loan, no interest thereon has been charged.

- (iv) Board's comments on point (vii) of the Annexure to Auditors' Report

Due to lack of any operations in the Company, internal audit system is not felt necessary for the time being.

- (v) Board's comments on point (ix) of the Annexure to Auditors' Report.

Generally, all taxes deducted at source are deposited timely. However, due to cash crunch, there were delays in few cases during the year.

- (vi) Board's comments on point (xvii) of the Annexure to Auditors' Report

Rs. 1.39 lakhs is the loss made by the Company during the year.

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 it has no employees.

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

Particulars required to be disclosed as per section 217(1) (e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable to the Company for the year under review.

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, 2010 and of the loss of the Company for the period 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.

Acknowledgements

Your Directors would like to express their sincere appreciation for assistance and co-operation received from the Holding Company, bankers, Government Authorities and other business associates, who have extended their valuable sustained support and encouragement during the year under review.

For and on behalf of the Board of Directors

Prasad V. Potluri
(Director)

Deepak Nagori
(Director)

Hyderabad
August 14, 2010

Auditor's Report

To

The Members of PVP Screens Private Limited

1. We have audited the attached Balance Sheet of PVP Screens Private Limited as at 31st March 2010 and the Profit and Loss account and Cash Flow Statement for the period ended on that date and annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
 4. Attention is invited to Note No 1(C) in Schedule I (Notes on Accounts), The Company does not have any business operation and the ability of the Company to continue as going concern depends on support from its holding company, PVP Ventures Limited.
 5. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - (iii) The Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - (vi) *The Company has a negative net worth of Rs. 471.22 lacs impairing its ability to operate as a Going concern. Continued operation of the Company would depend upon returns from the investments made and also support from its Holding Company.*
 - (vii) In our opinion and to the best of our information and according to the explanations given to us, *subject to our opinion on the ability of the Company to operate as a going concern and subject to our inability to express an opinion on the continuance of provision made towards diminution in the value of investment for Rs.6.2 crores made during the previous year* the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010.
 - (b) In the case of Profit and loss account, of the loss for the period ended on that date.
 - (c) In case of the Cash Flows Statement, of the cash flows of the Company for the period ended on that date.

For S. Ramakrishnan Associates

Chartered Accountants

Firm Reg. No: 006637S

S. Ramakrishnan

(Partner)

Membership No: 25936

Place: Chennai

Date: 29th July 2010

Annexure to Auditors Report

(Referred to in paragraph 3 of our report of even date)

- (i) The Company does not have any fixed assets and hence clause(i) of this order is not applicable.
- (ii) The Company does not have any physical inventory and hence clause(ii) of this order is not applicable.
- (iii) (a) In our opinion and according to the information and explanations given to us and to the extent of our verification of books of accounts, the Company has given *advance towards share application money to Arete and Hercules Real Estate Developers for Rs.6.2 crores. Since the amount is in the nature of investment the question of repayment of principal and interest and whether rate of interest is prejudicial does not arise.*
- (b) In our opinion and according to the information and explanations given to us and to the extent of our verification of books of accounts, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act except for an interest free loan of Rs. 452.11 Lakhs taken in the earlier years from Telephoto, its immediate holding company and Rs. 21.23 lakhs from its ultimate holding company - PVP Ventures limited which have not been repaid. Interest and terms of re-payment have not been stipulated for these loans.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weakness in internal control systems.
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register.
- (b) According to the information and explanations given to us, there are no transactions entered in the register maintained under Section 301, exceeding Rs.5 Lakhs during the period and hence we are not commenting on the reasonableness of the same.
- (vi) In our opinion and according to the information and explanation given to us, the Company has not accepted any public deposits during the year.
- (vii) *The company does not have an internal audit system commensurate with its size and nature of its business.*
- (viii) Maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act.
- (ix) (a) According to the records provided to us, the Company has been generally regular in depositing undisputed statutory dues including Income Tax, Sales-tax, Cess and any other material statutory dues with the appropriate authorities except for *few cases of delay in depositing the tax deducted at source and non -payment of Urban Land tax for the period July 04 to July 08 on the property which was sold in Dec'08.* There are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) There are no dues of Income Tax, Sales-tax and Cess that have not been deposited on account of any dispute.
- (x) The company has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and it have incurred cash losses during the financial year Rs. 1.39 lakhs, however no cash losses have been incurred in the immediately preceding financial year.

PVP Screens Private Limited

- (xi) Based on our audit procedure and as per the information and explanations given by the management, the Company has no dues to any financial institutions, banks or debenture holders and hence the question of default in repayment does not arise.
- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) As this Company is not a Nidhi/Mutual benefit fund/ Society, the provisions of special statute applicable to chit fund is not applicable to this Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year and hence paragraph 4 (xvi) of the Order is not applicable.
- (xvii) Based on the information and explanation given to us and on an overall examination of the Balance Sheet of the company, we report that the funds raised on short-term basis have not been used for long term investment
- except to the extent of losses incurred Rs 1.39 Lakhs for the current year.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the period.
- (xix) The Company has not issued any debentures during the period.
- (xx) Being a private limited company, reporting on public issues during the year and its end use does not arise.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the year nor have we been informed of any such case by the management, that causes the financial statements to be materially misstated.

For S. Ramakrishnan Associates

Chartered Accountants
Firm Reg. No: 006637S

S. Ramakrishnan

(Partner)

Membership No: 25936

Place: Chennai

Date: 29th July 2010

PVP SCREENS PRIVATE LIMITED
Balance Sheet as at March 31, 2010

	Schedules	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	A	300,000	300,000
LOAN FUNDS			
Unsecured Loans	B	47,334,240	45,211,000
TOTAL		47,634,240	45,511,000
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	C	283,323	389,572
Loans and Advances	D	7,765	8,662
		291,088	398,234
Less: Current Liabilities and Provisions	E		
Current Liabilities		58,489	106,343
Provisions		21,064	2,064,189
		79,553	2,170,532
NET CURRENT ASSETS		211,535	(1,772,298)
PROFIT AND LOSS ACCOUNT		47,422,705	47,283,298
TOTAL		47,634,240	45,511,000
NOTES TO ACCOUNTS	I		

The Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For S. Ramakrishnan Associates
Chartered Accountants
Firm Reg. No. 006637S

For and on behalf of the Board of Directors

S. Ramakrishnan
Partner
M No : 25936

Deepak Nagori
Director

V.R.Arasu
Director

Place: Chennai
Date : July 29, 2010

PVP SCREENS PRIVATE LIMITED
Profit & Loss Account for the year ended March 31, 2010

	Schedules	For the Year Ended 31.03.2010 Rs.	For the Year Ended 31.03.2009 Rs.
INCOME			
Other Income	F	40,500	17,311,691
Total		40,500	17,311,691
EXPENDITURE			
Operating, Administration and Other Expenses	G	113,032	62,157,066
		113,032	62,157,066
Profit/(Loss) before Interest, Depreciation & Tax		(72,532)	(44,845,374)
Interest and Finance Charges	H	66,875	-
Profit/(Loss) before Tax		(139,407)	(44,845,374)
Less: Provision for Tax :			
- Income Taxes		-	2,043,125
Profit/(Loss) after tax		(139,407)	(46,888,499)
Profit /(Loss) brought forward from earlier year		(47,283,298)	(394,799)
Balance Carried to Balance Sheet		(47,422,705)	(47,283,298)
NOTES TO ACCOUNTS	I		
Earnings per Share (Refer Note 20 in Schedule I)			
Basic		(4.65)	(1,562.95)
Diluted		(4.65)	(1,562.95)
Face Value per equity share		10.00	10.00

The Schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For S. Ramakrishnan Associates
Chartered Accountants
Firm Reg. No. 006637S

S. Ramakrishnan
Partner
M No : 25936

Place: Chennai
Date : July 29, 2010

For and on behalf of the Board of Directors

Deepak Nagori
Director

V.R.Arasu
Director

PVP SCREENS PRIVATE LIMITED**Cash Flow Statement for the year ended March 31, 2010** (Amount in Rs.)

	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(139,407)	(44,845,374)
Adjustments for:		
Gain on sale of Assets	-	17,242,566
Interest paid	66,875	-
Interest earned	-	667
Write back of liabilities	(40,500)	-
Operating Profit Before Working Capital changes	(113,032)	(62,088,607)
Adjustments for:		
Other Current Assets	897	516,575
Trade payable & ULT Provision	(7,354)	(11,245,390)
Expenditure during construction period	-	35,227,921
Cash Generated from Operations	(119,489)	(37,589,501)
Direct Taxes paid	(2,043,125)	-
Net Cash from Operating Activities	(2,162,614)	(37,589,501)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest earned	-	667
Sale of Land	-	222,146,556
Purchase/addition to Fixed Assets including capital advances	-	(45,012,270)
Net Cash used in Investing Activities	-	177,134,953
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	-	-
Proceeds from Long Term Borrowings (Net)	2,123,240	(142,055,386)
Interest paid	(66,875)	-
Net Cash from Financing Activities	2,056,365	(142,055,386)
Net increase in cash and cash equivalents	(106,249)	(2,509,934)
Cash and cash equivalents at the beginning of the year	389,572	2,899,506
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	283,323	389,572

This is the Cash Flow Statement referred to in our report of even date.

For S. Ramakrishnan Associates

Chartered Accountants
Firm Reg. No. 006637S

For and on behalf of the Board of Directors

S. Ramakrishnan
Partner
M No : 25936

Deepak Nagori
Director

V.R.Arasu
Director

Place: Chennai
Date : July 29, 2010

PVP SCREENS PRIVATE LIMITED

Schedules to the Balance Sheet

(Amount in Rs.)

	As at 31.03.2010	As at 31.03.2009
SCHEDULE - A		
SHARE CAPITAL		
AUTHORISED CAPITAL		
50000 Equity Shares of Rs.10/- each.	500,000	500,000
ISSUED, SUBSCRIBED & PAIDUP CAPITAL	300,000	300,000
30,000 Equity Shares of Rs. 10 each fully paid-up (All the above shares are held by the holding company, Telephoto Entertainments Limited and its nominee)	300,000	300,000
SCHEDULE - B		
UNSECURED LOANS		
Unsecured loan from PVP Ventures Limited	2,123,240	-
- Ultimate Holding Company		
Telephoto Entertainments Limited	45,211,000	45,211,000
	47,334,240	45,211,000
SCHEDULE - C		
CASH & BANK BALANCES		
Cash on Hand	-	-
Balances with Scheduled Banks		
- In Current Accounts	283,323	389,572
Total (A)	283,323	389,572
SCHEDULE - D		
LOANS AND ADVANCES		
(Unsecured and considered good, unless otherwise stated)		
Advance recoverable in cash or in kind or for value to be received		
- Considered Good	-	897
- Considered Doubtful	62,000,000	62,000,000
Less : Provision for diminution in Value	(62,000,000)	(62,000,000)
Pre-paid tax	7,765	7,765
Total (B)	7,765	8,662
Total (A+B)	291,088	398,234
SCHEDULE - E		
A) CURRENT LIABILITIES		
Sundry Creditors (Refer Note 21 in Schedule I)		
- Outstanding dues of Micro enterprises and small enterprises	-	-
- Others	-	48,546
Expenses Payable	49,634	55,150
Statutory Liabilities	8,855	2,648
Total (A)	58,489	106,344
B) PROVISIONS		
Provision for ULT	21,064	21,064
Provision for Corporate Tax	-	2,043,125
Total (B)	21,064	2,064,189
Total (A+B)	79,553	2,170,533

PVP SCREENS PRIVATE LIMITED
Schedules to the Profit and Loss Account

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
SCHEDULE - F		
OTHER INCOME		
Interest earned on I.T & from Banks	-	667
Miscellaneous Income	-	68,458
Gain on Sale of Asset	-	17,242,566
Liabilities Written Back	40,500	-
	40,500	17,311,691
SCHEDULE - G		
OPERATING,ADMINISTRATION & OTHER EXPENSES		
Legal & Consultancy Charges	50,368	11,003
Printing & Stationery	262	-
Travelling & Conveyance	897	-
Provision for diminution in value of advance for investment	-	62,000,000
Audit Fees - Statutory Audit	55,150	55,150
Other Expenses	6,355	17,448
Bad Debts	-	73,465
	113,032	62,157,066
SCHEDULE - H		
INTEREST AND FINANCE CHARGES		
Interest		
- On term Loans	-	-
- Others	66,875	-
	66,875	-

Schedules forming part of the financial statements for the year ended March 31, 2010**Schedule I: Significant Accounting Policies and Notes on Accounts:****1. Basis of preparation of financial statements**

- A) The financial statements of the Company have been prepared under the historical cost convention in accordance with the Accounting standards specified by Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards and the relevant provisions of the Companies Act, 1956
- B) All financial transactions have been recognized on accrual basis. The preparation of financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates.
- c) Going Concern: The Company has no operations over the past four years. The Company has made investments in Arete and Hercules real estate developers Private limited. The ability of the Company to continue as going concern depends on returns from these investments and support from its ultimate holding company - PVP Ventures Limited.

Significant Accounting Policies**2. Revenue Recognition:**

As a consistent practice, the Company recognizes revenue on an accrual basis upon rendering of service.

3. Accounting of Expenditure:

Expenses are accounted on an accrual basis. Provisions have been made for all known losses and liabilities as on the date of the financial statements.

4. Fixed Assets and Depreciation:

Fixed Assets are stated at acquisition cost. Depreciation is charged on a pro-rata basis on a straight-line method as per the rates and in the manner prescribed under the schedule XIV to the Companies Act, 1956, as amended. Expenditure on maintenance, repairs and renewals of minor items are generally charged

to revenue as incurred. Upon sale or write off of assets, the cost of the assets and the accumulated depreciation on such assets are eliminated from the Fixed Assets block. The profit / loss on sale or write off of assets are included in the earnings statement.

5. Benefits to employees:

There are no Employees in the Company during the year.

6. Foreign Currency Transactions:

There are no foreign currency transactions during the year.

7. Taxes

Provision for income tax is made annually based on the liability computed after considering tax allowances and exemptions.

8. Investments:

There are no investments during the year.

9. Inventory Valuation:

There are no inventories during the year.

10. Segment Reporting:

Since the Company has not commenced commercial operations, segment reporting is not applicable.

11. Borrowing Cost:

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset. Other borrowing costs are charged to revenue over the tenure of the loan.

12. Impairment of Assets:

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognized in the year in which the impairment takes place.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or

where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

Notes to the Accounts

14. Contingent Liabilities:

There are no contingent liabilities as on the Balance Sheet date.

15. Quantitative details:

The quantitative details as required under paragraphs 4(D) (III) of part II of schedule VI to the Companies Act, 1956 are not applicable to the Company.

16. Imports (Value on CIF basis) [on payment basis] - NIL

17. Particulars relating to Foreign Exchange (on receipt and payment basis) - NIL

18. Related party Disclosures:

Names of Related parties and description of relationship

Description of Relationship	Names of Related parties
Holding Company	Telephoto Entertainments Limited
Ultimate Holding Company	PVP Ventures Limited
Company where common Control's Exist	Arete Real Estate Developers Pvt. Ltd Hercules Real Estate Developers Pvt. Ltd.
Key Management Personnel:	Mr. Deepak Nagori Mr. V.R. Arasu

Summary of transactions with the above-related parties are as follows: (Rs. in Lakhs)

Nature of transactions	Transactions for the year ended		Balance as at	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
Loans received from PVP Ventures Limited	21.23	Nil	21.23	Nil
Loans repaid to PVP Ventures Limited	Nil	592.53		
Loan taken from Telephoto Entertainments Ltd.	Nil	Nil	452.11	452.11
Advances given for share application to				
a) Arete Real Estate Developers Pvt Ltd	Nil	370.00	370.00	370.00
b) Hercules Real Estate Developers Pvt Ltd	Nil	250.00	250.00	250.00
Provision for advances given share Application				
a) Arete Real Estate Developers Pvt Ltd	Nil	370.00	370.00	370.00
b) Hercules Real Estate Developers Pvt Ltd	Nil	250.00	250.00	250.00

19. Provision for taxation:

Since there is no taxable income, provision for taxation is not made for the year.

20. Earnings per Share:

Particulars	Ref	Year ended March 31,2010	Year ended March 31,2009
Profit/(Loss) after Tax (Rs. in Lakhs)	A	(1.39)	(468.88)
Number of shares outstanding	B	30,000	30,000
Effect of dilutive issue of stock options	C	Nil	Nil
Number of shares outstanding including potential shares	D	30,000	30,000
Earnings per share-Basic (Rs.)	A*100000/B	(4.65)	(1562.95)
Earnings per share-Diluted (Rs.)	A*100000/D	(4.65)	(1562.95)

21. The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amounts unpaid as at the period end together with interest paid/payable as required under the said Act have not been given.

22. Auditor's Remuneration including Service Tax:

Description	Year ended March 31, 2010 (Rs. Lakhs)	Year ended March 31, 2009 (Rs. Lakhs)
Statutory Audit Fees	0.55	0.55

23. Derivatives and foreign currency exposure:

The Company has not entered into any derivative contracts during the year under review and also does not have any foreign currency exposure as at March 31, 2010.

24. Previous period's figures have been re-grouped wherever necessary to conform to the current period's classification.

For S. Ramakrishnan Associates

Chartered Accountants
Firm Reg. No. 006637S

S. Ramakrishnan

Partner
M No : 25936

For and on behalf of the Board of Directors

Deepak Nagori
Director

V.R.Arasu
Director

Place: Chennai
Date : July 29, 2010

Balance Sheet Abstract And Company's General Business Profile**i. Registration Details**

Registration No.	:	054088	State Code	:	18
Balance Sheet Date	:	31.03.2010			

ii. Capital raised during the year (Amount in Rs. lacs)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities	:	476.34	Total Assets	:	476.34
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Source of Funds

Paid-up Capital	:	3.00	Reserves & Surplus	:	NIL
Secured Loans	:	NIL	Unsecured Loans	:	476.34

Application of Funds

Net Fixed Assets	:	NIL	Investments	:	NIL
Net Current Asset	:	2.11	Miscellaneous Expenditure	:	NIL
Accumulated Losses	:	474.22			

iv. Performance of Company (Amount in Rs. Lacs)

Turnover/Income	:	0.40	Total Expenditure	:	1.13
Profit/(Loss) Before Tax	:	(1.39)	Profit/(Loss) After Tax	:	(1.39)
Earnings per share in Rupees	:	(4.65)	Dividend Rate %	:	Nil

v. Generic Names of three Principal Products/Service of Company

Item Code No. (ITC Code)	:	N.A.	Product Description	:	N.A.
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For and on behalf of the Board

V.R. Arasu	Director
Deepak Nagori	Director

Place: Chennai
Date: July 29, 2010

TELEPHOTO ENTERTAINMENTS LTD.

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031

ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

DP ID	
-------	--

REGD. FOLIO NO.	
-----------------	--

CLIENT ID	
-----------	--

Name and Address of the Shareholder

No. of Share(s) Held

I/we hereby record my/our presence at the 11th Annual General Meeting of Telephoto Entertainments Limited held on Thursday, September 30, 2010 at 11:30 a.m. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006.

Signature of the Shareholder/Proxy.....



TELEPHOTO ENTERTAINMENTS LTD.

Regd. Office : KRM Centre, 9th Floor, Door No. 2, Harrington Road, Chetpet, Chennai-600031

PROXY FORM

DP ID	
-------	--

REG. FOLIO NO.	
----------------	--

CLIENT ID	
-----------	--

NO. OF SHARE(S) HELD	
----------------------	--

I/We..... of

.....being a Member of Telephoto Entertainments Limited hereby

appoint Mr.of.....

or failing him Mr.....

of..... as my/our proxy to vote for me/us/and on my/our behalf, at 11th Annual General Meeting of Telephoto Entertainments Limited held on Thursday, September 30, 2010 at 11:30 a.m. at "Kamaraj Arangam", No. 492 (Old No.574-A), Anna Salai, Chennai-600 006 or at any adjournment thereof.

Signed this day of2010



Signature of the Share Holder.....

Note: The proxy, in order to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the company not less than 48 Hours before the time of the meeting. The Proxy need not be a member of the Company.

BOOK - POST

If undelivered please return to :

Cameo Corporate Services Limited

"Subramanyam Building"

1, Club House Road,

Chennai-600 002

India