



TELEPHOTO ENTERTAINMENTS LIMITED

Third Annual Report
2001-2002



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TELEPHOTO ENTERTAINMENTS LIMITED
THIRD ANNUAL REPORT 2001-2002

COMPANY INFORMATION

REGISTERED OFFICE
14, VIJAYARAGHAVA ROAD,
T.NAGAR, CHENNAI
Ph No 044-8151724/26

DIRECTORS

MR. T. SURESH CHANDRA MENON
Chairman & Managing Director
MRS. ASHA MENON
MRS. RADHA MENON
MR. MUKUND VIJAYAN

BANKERS

CENTURION BANK LIMITED
NANDANAM BRANCH, CHENNAI 600 035
GLOBAL TRUST BANK LTD,
R.K. SALAI BRANCH, CHENNAI 600 086

AUDITORS

C.S. SUNDAR, B.Sc: FCA
39/3, VEDANATHA DESIKAR SWAMY ST,
PALATHOPE- MYLAPORE
CHENNAI 600 004

STOCK EXCHANGES

MADRAS STOCK EXCHANGE
THE STOCK EXCHANGE, MUMBAI

SHARE TRANSFER AGENTS

CAMEO CORPORATE SERVICES LIMITED
"SUBRAMANYAM BUILDING"
1, CLUB HOUSE ROAD - CHENNAI 600 002

COMPANY SECRETARY & COMPLIANCE OFFICER
MR. S. GANESAN

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NOTICE TO SHAREHOLDERS

NOTICE is hereby given that the Third Annual General Meeting of the Members of TELEPHOTO ENTERTAINMENTS LIMITED will be held on FRIDAY, THE 27TH SEPTEMBER, 2002 at 09.45 AM at SRI DEVI PREVIEW THEATRE, 14,VIJAYARAGHAVA ROAD, T.NAGAR.CHENNAI, 600 017 to transact the following business:

Ordinary Business

1. To consider and adopt the Balance Sheet as at 31 March,2002, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of retiring Director
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors

Place : Chennai 600 017
Date : July 29, 2002

T. Suresh Chandra Menon
Chairman & Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
3. Members are requested to bring their copy of Annual Report to the meeting. **Corporate members are requested to send duly certified copy of Board Resolution authorizing their representative to attend and vote at the annual general meeting.**
4. The Register of Members and Share Transfer Books of the company will be closed from Tuesday, the 3rd September, 2002 to Tuesday 10th September, 2002 (both days inclusive)
5. **Appointment /Reappointment of Directors**

At the ensuing Annual General Meeting, Mrs.Asha Menon, Director retires by rotation and being eligible offers herself for reappointment.The information or details to be provided for the aforesaid Director under Corporate Governance Code is as under:

Mrs. Asha Menon, aged about 36 years, is a subscriber to the Memorandum of Association of the company and is a Director from the day of incorporation of the company. She has more than 19 years experience in the Entertainment Industry.She is popularly known as (Actress) Revathy. She has acted in more than 125 films in Tamil,Telugu,Malayalam, Kannada and Hindi. She has acted in more than 400 episodes of Television serials for Doordharshan and Sun TV.

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She had earlier retired, as Director of the company under rotation and was reelected by the Members in the Annual General Meeting held during 2000. She is qualified to be appointed as Director, as specified in Section 274 of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

Mr. T. Suresh Chanda Menon, Managing Director and Mrs. Radha Menon, Director, being relatives of Mrs. Asha Menon, along with Mrs. Asha Menon, Director, are, interested in this resolution.

6. Members holding shares in physical form and who have multiple folios in identical names or joint accounts in the same order are requested to send all the shares certificates to the company's registrars and share transfer agents for consolidation of all such shareholdings into one folio to facilitate better service.



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DIRECTORS' REPORT 2002

Your Directors have pleasure in presenting the Third Annual Report together with the audited statements of account of the company for the year ended 31st March, 2002.

		Rs. in lakhs
Financial Results	2002	2001
Total Income	231.46	711.83
Total expenditure	632.04	1114.41
Interest	0.84	2.39
Depreciation	45.96	48.84
Profit before tax	(447.38)	(453.80)

Current Operations

The Company has consciously decided to do only commissioned Teleserials.

Presently, the company is doing a Mega Serial for Vijay Television Limited titled POOVILANKU. The telecast has commenced from 15th July, 2002.

One more weekly serial (talk show) titled SINTHANAIGAL is now being produced for Jaya T.V. and is due to be on air from 11th August, 2002.

Negotiations are on with another South Indian private channel for production of a Mega Serial..

The Company has invested Sing \$ 10000 in a Wholly Owned Subsidiary in Singapore. This subsidiary company has already secured order from a Singapore Channel to do a 13 episode serial worth INR 50 lakhs approx.

The company's thrust will be to do more and more of commissioned programmes in order to avoid the risk of marketing and also to assure a sustained inflow.

An all round cost reduction exercise is on with due restructuring of the operations and manpower to improve on the profitability.

Valuation of feature film

Mitr-My Friend, is the first feature film produced by Telephoto Entertainments Limited. The Company has written off the entire cost of production of the feature film, during this year under review..

Demat facility

The Company's shares are listed in Madras Stock Exchange and Stock Exchange in Mumbai

As per SEBI guidelines the Company's share are compulsorily Dematerialised and can be traded only Electronically.

Fixed Deposits

No fixed deposits were accepted by the company during the year.

Director's Retirement/Re-appointment

Mrs. Asha Menon, one of the Promoter-Director of the company, is retiring by rotation and being eligible offers herself for reelection. It is confirmed that she is not disqualified from being re-appointed as a Director of the company.

Mr. T. Suresh Chanda Menon, Managing Director and Mrs. Radha Menon, Director, being relatives of Mrs. Asha Menon, along with Mrs. Asha Menon, Director, are interested in the re-appointment of Mrs. Asha Menon

Auditors

M/S Anil Nair & Associates, Chartered Accountants were appointed by the members in the last Annual general Meeting as auditors of the company. But, in view of an amendment to the companies Act, 2000, they have deemed to have vacated office u/s 226(5) due to violation of Section 224(3) (e). Hence in the casual vacancy, the Board of Directors in their meeting held on 29th April, 2002 unanimously decided to appoint C.S.SUNDAR, BSc; F.C.A., Chartered Accountants as auditors of the company and they will hold office until the conclusion of the ensuing Annual General Meeting. M/S C.S.Sundar Chartered Accountants, being eligible offer themselves for reelection as auditors of the company for the next year.

Audit observations

All the dues relating to PF, TDS etc, relating to last year, have been fully settled as of the report date.

The provision for gratuity is made based on the income of employees on rolls as on the end of financial year and no actuarial valuation has been done

There has been no addition to the value of Film Library during this year and the basis of valuation of the existing Film Library is same as adopted in the earlier years.

Declaration under Section 217 of the Companies Act, 1956

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

Technological absorption and conservation of energy

The nature of business of the company is such that it is not necessary to report about the technological absorption and conservation of energy.

Foreign Exchange

Total Foreign Exchange outflow during the year Rs 623447.

Total Foreign Exchange inflow during the year Rs.1113800

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Risk Management

All the assets of the company are adequately insured.

Share Dealing Code

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

Directors' Responsibility Statement

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

- a. In the preparation of the accounts, the applicable accounting standards have been followed.
- b. Accounting policies selected were applied consistently, reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2002 and of the profit and loss of the company for the year ended on that date.
- c. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- d. The Annual accounts of the company have been prepared on a going concern basis.

Management Discussion and Analysis Report

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

Acknowledgements

Your Directors take this opportunity to thank all the employees for rendering high quality of service to every constituent of the company's customers. Your Directors wish to place on record the support received from the company's bankers, M/S Centurion Bank Limited, Nandanam Branch, Chennai, Global Trust Bank Limited, Dr. Radha rishnan Salai Branch, Chennai, suppliers and more particularly. Private television channels. The Directors would like to convey their gratitude to the members and look forward to their continued support.

Place : Chennai 600 017
Date : July 29, 2002

By order of the Board of Directors

T. Suresh Chandra Menon
Chairman & Managing Director