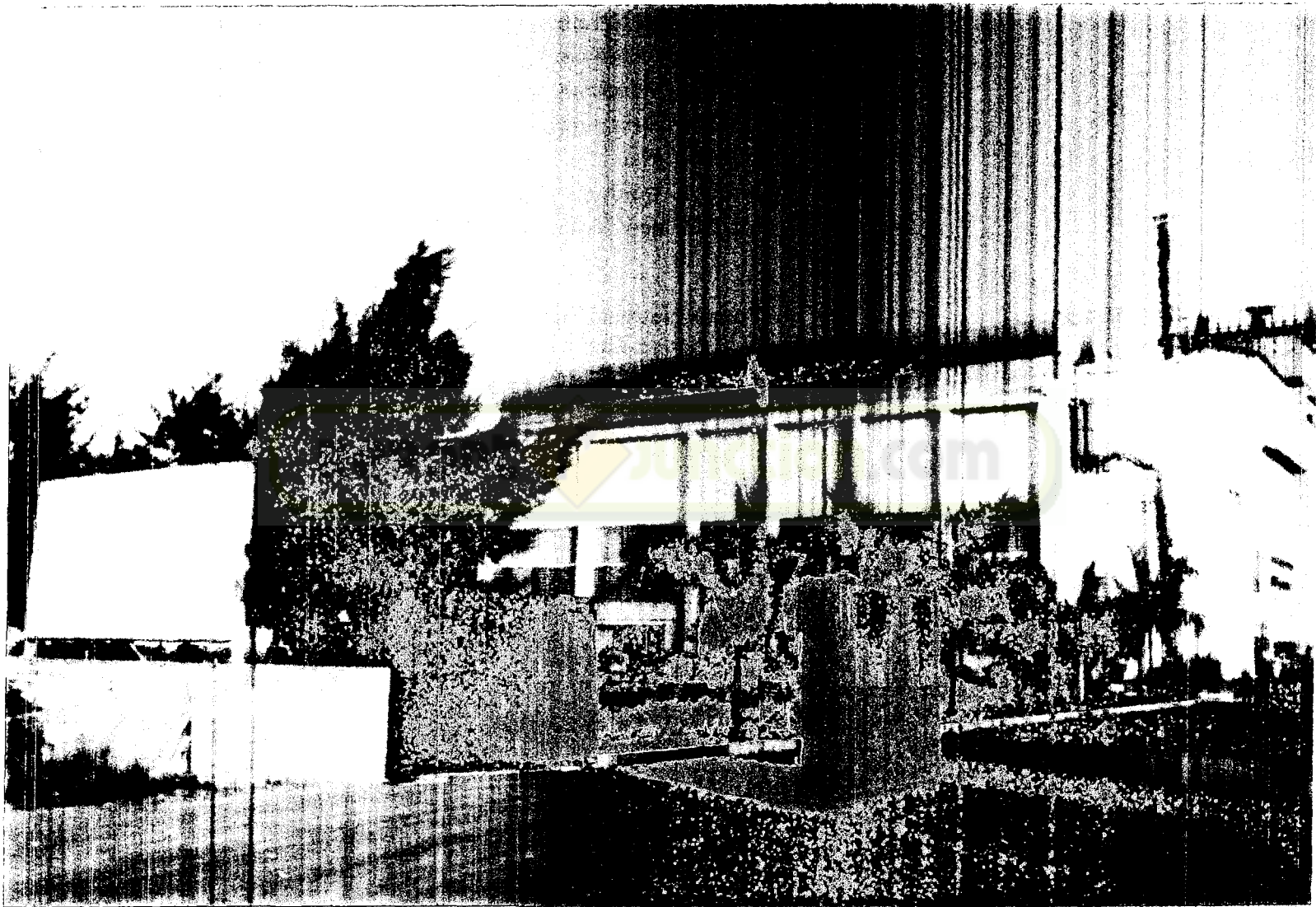


| | | | |
|------|-------------------------------------|--|--|
| MD | <input checked="" type="checkbox"/> | | |
| CS | <input checked="" type="checkbox"/> | | |
| RO | <input checked="" type="checkbox"/> | | |
| TRA | <input checked="" type="checkbox"/> | | |
| ACMI | <input checked="" type="checkbox"/> | | |
| YE | <input checked="" type="checkbox"/> | | |

HOTLINE GLASS LIMITED



6th
Annual Report 1997-98

BOARD OF DIRECTORS

Mr. Anil K. Gupta - Chairman
Mr. G. Sankara Narayan - Whole Time Director
Mr. G.L. Modi
Mr. H. B. Huang
Shri Rajnish Malhotra
(Alternate Director to Mr. H. B. Huang)
Mr. Govind Narain
Mr. Sanjiv Narayan
Mr. V.N. Masaldan
Dr. S. Krishnamurthy
Col. B. K. Rai
Mr. D. C. Mathur
Mr. M. Gopal Reddy - MPSEDC Nominee

BANKERS

Punjab National Bank
ECE House, Kasturba Gandhi Marg,
New Delhi - 110 001

Bank of Baroda
Defence Colony,
New Delhi - 110 024

STATUTORY AUDITORS

S.S. Kothari & Co., Chartered Accountants
9-A, Atma Ram House, 1, Tolstoy Marg,
New Delhi - 110 001

REGISTERED OFFICE

CBG 07 to 51, Ghirongi Industrial Area,
Malanpur,
Distt. Bhind,
Madhya Pradesh.

HEAD OFFICE

16, Community Centre,
New Friends Colony,
New Delhi - 110 065

REGISTRAR

Allied Computer Technics Pvt. Ltd.
F-18, 3rd Floor, Block-A,
Local Shopping Centre,
Ring Road, Naraina Vihar,
New Delhi - 110 028

HOTLINE GLASS LIMITED**NOTICE**

NOTICE is hereby given that the Sixth Annual General Meeting of Hotline Glass Limited will be held on Wednesday the 30th Day of December 1998 at 2.00 P.M. at 139, Malanpur Industrial Area, Distt. Bhind (M.P.)

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of accounts of the Company for the year ended 30th June '98 and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Col B.K. Rai, who retire by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. S. Krishnamurthy, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Govind Narain, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors & fix their remuneration.

SPECIAL BUSINESS

6. To consider and if thought fit to pass the following resolution with or without modification (s) as a special resolution.
"Resolved as a special resolution that the Board of Directors of the company be and are hereby authorised to pledge the shares held by the company on such terms and conditions as may be specified by the Financial Institution and approved by the Board of Directors."

By Order of the Board
for **HOTLINE GLASS LIMITED**

PLACE: NEW DELHI
DATE : 27.11.98

(ANIL GUPTA)
CHAIRMAN

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote, on the Poll only, instead of himself and the proxy so appointed need not be a member of the Company. Proxies in order to be effective must reach at the Registered Office of the company not less than 48 hours before the time fixed for meeting.
2. The relevant explanatory statement pursuant to section 173 (2) of the Companies Act, 1956, in respect of item No. 6 is given below and forms part of notice.
3. The Register of Members and the share transfer books of the Company shall remain closed from Wednesday 16th December, 1998 to Wednesday the 30th December '1998 (Both days inclusive).
4. Shareholder / Proxy Holder are requested to produce at the entrance the admission slip forward to them, duly completed and signed in accordance with the specimen signature registered with the Company.
5. The company is maintaining its office in Delhi at 16, Community Centre, New Friends colony, New Delhi - 110 065, where the shareholders can lodge any papers including shares for transfer. The company would reimburse the to and fro second class rail/bus fare of Delhi-Malanpur to members who reside in Delhi and attend the meeting at Malanpur.
6. The instrument of share transfer, complete in all respects should be sent to the Company well in advance, so as to reach to the Company prior to book closing. Share under any defective transfer (unless defect is removed prior to book closing) and/or instrument of transfer received during the period of books closing shall be considered after reopening of books.
7. Members are requested to bring their copy of annual Report, as no copies will be distributed at the Annual General Meeting.
8. Members desirous of getting any information about the accounts under reference and operation of the Company are advised to address their queries to the Wholetime Director of the Company well in advance, so that the same may reach him at least seven days before the date of the meeting to enable the management to keep the required information readily available at the meeting.

EXPLANATORY STATEMENT TO POINT NO. 6

At the time of approving the transfer of Colour Picture Tube Project from Hotline Teletube & Components Ltd to LG Hotline CPT Ltd., Financial Institution had laid a condition that the shares held by Indian Promoters should be pledged with the institution. As your Company is one of the promoters of the Colour Picture Tube Project, it needs to pledge the shares held by it in LG Hotline CPT Ltd. None of the directors are interested in this resolution except for the directorship of Mr. Anil Gupta, Mr. Sanjiv Narayan and Mr. V.N. Masaldan in LG Hotline CPT Ltd.

DIRECTORS' REPORT

The Members

HOTLINE GLASS LTD.

Your directors have pleasure in presenting the Sixth Annual Report and Audited statement of accounts of your Company for the year ended 30th June '98.

| | YEAR ENDED 30.6.98 | (Rs. In Lac) YEAR ENDED 30.6.97 |
|---|-----------------------|---------------------------------------|
| FINANCIAL RESULTS | | |
| - Sales & other income | 6420 | 5942 |
| - Profit before Depreciation & Financial Expenses | 2346 | 2215 |
| - Financial Expenses | 982 | 923 |
| - Cash Profit | 1364 | 1292 |
| - Depreciation & Misc. Expenses Written off | 1338 | 1190 |
| - Net profit | 26 | 102 |
| - Minimum Alternate Tax for Current year | 3 | 17 |

OPERATIONS

During the year under review the Company achieved the turnover of Rs. 6420 Lacs as compared to Rs 5942 Lacs during the previous year and cash profit has increased to Rs. 1364 Lacs from Rs. 1292 Lacs of Previous Year. The company increased its production from 5.4 million Glass parts in 1996-97 to Rs. 6.58 million Glass Part in the year 1997-98 thereby achieving reduction in unit cost of production.

The Colour Picture Tube Project, LG Hotline CPT Ltd., promoted by your company had started production in 1997 and in short period the company has become the leading manufacturer of large size Picture Tubes and the plant is operating at 90% capacity.

DIVIDEND

In view of inadequacy of the net profits so far, the Board has not recommended any dividend this year.

PROSPECTS

The demand for Black & White T.V. continues to be around 6 million numbers per annum. Despite very high untapped potential, the demand is likely to be stagnant at this level. To make profits at this demand level it is necessary for the company to either increase the prices of Glass parts or to reduce the cost. To achieve this objective the company has already taken measures to reduce the raw material cost by increasing productivity and yield. It is expected that during the current year the company would also be able to increase the selling price.

FIXED DEPOSIT

The Company has not accepted any deposit from the Public during the year.

DIRECTORS

During the year M/s. MPSEDC Ltd has notminated Mr. M. Gopal Reddy as nominee Director on the Board of company. Col. B.K. Rai , Dr. S. Krishanamurthy and Mr. Govind Narain retire from the Board by rotation and being eligible offer themselves for reappointment.

AUDITORS

M/s S.S. Kothari & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for reappointment. A letter has been received from them that their appointment, if made, will be in conformity with the provisions of section 224 (1B) of the Companies Act. 1956

INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTFLOW (As per Annexure)**PARTICULARS OF EMPLOYEES**

Statement of particulars required under section 217(2A) of the Companies Act, 1956 and rules framed thereunder is given below:

| Sl. No | Name | Designation | Date of joining | Remuneration | Age | Qualification | Experience | Last Employment |
|--------|-----------------------|---------------------|-----------------|--------------|-----|---------------|------------|--|
| 1. | Mr.G. Sankara Narayan | Whole Time Director | 1.8.94 | 355014 | 55 | Engineer | 31 Yrs. | GM(Engi), Raymonds Wollen Mills Ltd. |

NOTES

Remuneration includes Salary, HRA, Medical Reimbursement, Company Contribution towards PF , Leave Encasement etc.

ACKNOWLEDGEMENT

The Board places on record its gratitude to Government Authorities, Financial Institutions, Bankers and the shareholders for their support.

The Board also places on record its appreciation of the valuable services rendered by all Managers, Workers, Officers and other employees of the Company.

For and on behalf of the Board of Directors

PLACE: NEW DELHI
DATE : 27.11.98

(ANIL GUPTA)
CHAIRMAN

HOTLINE GLASS LIMITED**INFORMATION ON ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTFLOW****A. ENERGY CONSERVATION (FROM 01.07.97 TO 30.06.98)****THIS YEAR****PREV. YEAR****POWER & FUEL CONSUMPTION****1. ELECTRICITY****a. Purchased**

Units (KWH)

2089290**7998283**

Total Amount (Rs. in Lacs)

97.66**294.53**

Rate / Unit (Rs.)

4.67**3.68****b. Own Generation**

(Through Diesel Generator)

Unit (KWH)

11378380**7794046**

Units per Ltr of Diesel Oil

3.89**3.92**

Cost / Unit (Rs.)

2.41**1.93****2. H.S.D FOR FURNACE**

Quantity (K.L.)

1623.423**6690.663**

Total Cost (Rs. In Lacs)

143.70**506.69**

Rate / Unit (Rs. per K.L.)

8851.82**7573.04****3. L.D.O. FOR FURNACE**

Quantity (K.L.)

4939.324**93.085**

Total Cost (Rs. In Lacs)

389.78**5.65**

Rate / Unit (Rs. per K.L.)

7891.40**6070****4. L.P.G.**

Quantity (M.T.)

165.205**1211.075**

Total Cost (Rs. In Lacs)

18.51**199.74**

Rate / Unit (Rs. per M.T.)

11204.33**16492.68****5. PROPANE**

Quantity (M.T.)

1057.350**172.635**

Total Cost (Rs. In Lacs)

113.75**17.85**

Rate / Unit (Rs. per M.T.)

10757.67**10342.27****CONSUMPTION PER UNIT OF PRODUCTION****PRODUCT - GLASS PARTS, PANEL & FUNNEL****STANDARDS
(IF ANY)****THIS YEAR****PREVIOUS YEAR**

* ELECTRICITY

N. A.

1.99 KWH

2.74 KWH

* H.S.D. & L.D.O.

N. A.

1.16 LTR

1.18 LTR

* L.P.G. & PROPANE

N. A.

0.18 KG.

0.21 KG.

B. RESEARCH & DEVELOPMENT

Continuous efforts are made on Research & Development to minimise the consumption of Power and fuel and to indiginise the raw material and spares. However, the expenditure on Research and Development is not substantial.

C. FOREIGN EXCHANGE EARNING / OUTFLOW

Total foreign exchange used by Company during the period is Rs. 842.74 Lac for imports, foreign technicians fees, royalty and travel.