



# HOTLINE GLASS LIMITED



## 10<sup>th</sup> Annual Report 2001-2002

**BOARD OF DIRECTORS**

Shri Anil Gupta - Chairman  
Shri G. Sankara Narayan - Whole Time Director  
Shri G.L. Modi  
Shri H.B. Huang  
Shri Rajneesh Malhotra  
(Alternate Director to Shri H.B. Huang)  
Shri Govind Narain  
Shri Sanjiv Narayan  
Shri V.N. Masaldan  
Dr. S. Krishnamurthy  
Col. B.K. Rai  
Shri D.C. Mathur  
Shri Anil Srivastava - MPSEDC Nominee  
Shri S.S. Bhandari - IDBI 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**

M/s S.S. Kothari & Co., Chartered Accountants  
8-D, 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**

241, Okhla Industrial Estate,  
Phase - III,  
New Delhi - 110 020

**REGISTRAR**

MCS Limited  
Sri Venketesh Bhavan,  
212-A, Shahpurjat,  
New Delhi-110 049  
Phones No. 6494830, 6494831 & 6490051  
Fax : 6494152

## HOTLINE GLASS LIMITED

Regd. Office : CBG 07 TO 51, Ghirongi Industrial Area,  
Malanpur Distt, Bhind, Madhya Pradesh  
**PROXY FORM**

I/We ..... of ..... in the District  
of ..... being a member / members of the above named Company, hereby  
appoint ..... of ..... in the District ..... of .....  
or failing him / her ..... of .....  
in the District of ..... as my / our proxy to attend and vote for me / us and on my / our behalf at the **ANNUAL  
GENERAL MEETING** of the company to be held at **139, Malanpur Industrial Area, Distt, Bhind (M.P.) at 12:30P.M.** on  
30th September, 2002 and may any adjournment thereof.

As witness my / our hand this ..... day of ..... 2002.

Signature(s) .....

Ledger Folio No. : .....

No. of Share held .....

### NOTE :

- 1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.
- 2) A Proxy need not be a member.
- 3) The Proxy form must be deposited at the Registered Office/Delhi Office of the Company not less than 48 hours before the schedule time for holding the meeting.

## HOTLINE GLASS LIMITED

Regd. Office : CBG 07 TO 51, Ghirongi Industrial Area,  
Malanpur Distt, Bhind, Madhya Pradesh

### ATTENDANCE SLIP

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report).

I hereby record my presence at the Annual General Meeting of the Company being held on 30th September, 2002.

**Member's / Proxy's Name**  
**(In Block Letters)**

Ledger Folio No. : .....

No. of Share held .....

**COMPLIANCE REPORT ON CORPORATE GOVERNANCE****(Clause 49 of the Listing Agreement)****Company's Philosophy on Corporate Governance**

The Board of Directors and the Management of Hotline Glass Limited believes in and continues to practise good Corporate Governance. They have committed themselves to strive towards enhancement of shareholders value through sound business decisions, high standard of ethics throughout the organisation and ensuring transparency and professionalism in all decisions and transactions of the company. The philosophy on Corporate Governance is founded upon a rich legacy of fair and transparent governance practises, many of which were in place before they were mandated. Following disclosures are set out towards achievement of good Corporate Governance.

**Size and Composition of Board of Directors**

\*The strength of board was 12 members during the period, out of which 10 are Non-Executive Directors including 2 Nominee Directors (one of M/s MPSEDC and one of M/s IDBI). Mr. Anil Gupta, Promoter Director and Mr. G. Sankaranaryan, Whole Time Director are the only Executive Directors.

\* The company does not have any pecuniary relationship with any of the Non-Executive Directors.

**Management Discussion and Analysis Report**

The Black & White Glass Industry is slowly declining due to reduction in demand of Black & White T.V. sets. The present demand for Black & White Glass Parts has reduced from 4.5 million sets to 4 million sets in the current year. Due to much higher installed capacity for Black & White Glass Parts in the industry there is stiff competition which has resulted in substantial reduction in prices.

The company is adding the facilities for manufacturing colour glass. The company has decided to make colour glass without making any additional borrowings. The company produces only a single product i.e. glass parts for B&W Television therefore no segment wise analysis of performance is presented.

During the period under review, the furnace remained closed for relining work till November 2001. The company started forming operations from 10<sup>th</sup> December, 2001. Due to stoppage of furnace the production was reduced to 32.74 lacs Nos.

Due to lower sales and stoppage of furnace the company has suffered a loss of Rs. 52 Lacs during the year.

It is expected that the demand may further reduce due to declining B&W T.V. Industry and lack of infrastructure facilities. Lack of demand is the risk presented before the company and to minimise this risk, the company will take necessary steps to produce colour glass parts also.

The outlook is dependent upon the government policy relating to rationalisation of tax structure for Black & White T.V. Unfortunately during the year the excise duty on Black & White T.V. was increased which has resulted in further jolt to the Black & White market.

To combat this the company is working on various strategies like reduction in prices to sustain the tube industry. The demand can also be sustained if the government pursues policy of rural electrification. Also the outlook can change substantially once the company implements colour glass project.

Considering the size of the operation, the company has sound Internal Control System backed up by efficient internal audit. The working of the internal auditors as well as the Internal Control Systems are reviewed by the Audit Committee regularly.

The company employs 240 workers. As a result of sound Human Resources Policy the industrial relations are cordial.

The company had not entered into any material, financial or commercial transactions in which management may be interested and which may have a conflict with the interest of the company.

**Audit Committee****- Composition**

\* The Audit Committee of the company comprises of Mr. Sanjiv Narayan, Dr. S. Krishnamurthy and Mr. D. C. Mathur all being Non-Executive and Independent directors. Mr. D. C. Mathur has proficient knowledge and experience in the field of finance and accounts.

**- Chairman**

\* Mr. Sanjiv Narayan is the Chairman of the Committee and is a Non-Executive and independent director.

\* The presence of the Chairman of the Committee shall be ensured in the Annual General Meeting.

**- Attendance**

\* The DGM-Finance, internal auditor and statutory auditor were present in the audit committee meetings held as stipulated in the code.

**- Company Secretary**

\* The company secretary has already been nominated as secretary of the audit committee.

**- Formation and Meeting dates**

\* The Audit Committee was formed on 20<sup>th</sup> January, 2001 to comply with the code of Corporate Governance. In the financial year 2001 2002 four meetings dated 20.04.2001, 20.07.2001, 29.10.2001 and 28.01.2002 have been held.

**NOTICE**

NOTICE is hereby given that the Tenth Annual General Meeting of Hotline Glass Limited will be held on Monday, 30<sup>th</sup> September, 2002 at 12:30 PM 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 31<sup>st</sup> March, 2002 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sanjiv Narayan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. D. C. Mathur, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Col. B. K. Rai, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors & to fix their remuneration.

**SPECIAL BUSINESS**

6. To consider, and if thought fit, to pass with or without modification the following resolution as ordinary resolution:

"RESOLVED that in accordance with the provisions of Section 269, Schedule XIII and other applicable provisions of the Companies Act, 1956, the company hereby approves the reappointment of Shri. G. Sankaranarayan as a Whole Time Director of the company for a period of 5 years with effect from 27<sup>th</sup> May, 2002 and the payment of remuneration of Shri G. Sankaranarayan during the tenure of his appointment on such terms and conditions as given in the explanatory statement."

Certified True Copy  
For **HOTLINE GLASS LIMITED**

Place : New Delhi  
Date : 14.08.2002

**ANIL GUPTA**  
(CHAIRMAN)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 TO ITEM NO. 6**

The members at the Annual General Meeting held on 30<sup>th</sup> December, 1997 approved the appointment of Mr. G. Sankaranarayan as a whole time director for a period of 5 years w.e.f. 27<sup>th</sup> May, 1997 on such terms as specified in the Explanatory Statement annexed to the notice of the meeting. The Board considers it desirable that the company should continue to avail itself of the services of Mr. G. Sankaranarayan as whole time director and have also approved the reappointment in its meeting held on 29<sup>th</sup> April, 2002. Members are requested to approve his reappointment as whole time director for a period of 5 years w.e.f. 27<sup>th</sup> May, 2002 on following terms & conditions:

<b>Particulars</b>	<b>Amount in Rs.</b>
Basic Salary :	20850
HRA :	60% of Basic Salary
Provident Fund :	12% of Basic Salary
Medical Reimbursement :	One month basic salary per annum
Leave Travel Assistance :	One month basic salary per annum

The whole time director shall be entitled to the payment of above remuneration subject to annual increment and in the event of absence or inadequacy of profit of the company in any financial year, minimum remuneration as is permissible under section 11 of part II of schedule XIII of the Companies Act, 1956.

Except Mr. G. Sankaranarayan who is interested in his individual capacity no other director is interested in this resolution.

**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 Register of Members and the share transfer books of the Company shall remain closed from 16<sup>th</sup> September, 2002 to 30<sup>th</sup> September, 2002 (both days inclusive)
3. Shareholder / Proxy Holder are requested to produce at the entrance the admission slip forwarded to them, duly completed and signed in accordance with the specimen signature registered with the Company.
4. The Company is maintaining its office in Delhi at 241, Okhla Industrial Estate, Phase III, New Delhi 110020, where the shareholders can lodge any papers including shares for transfer. The Company would reimburse the to and from second class rail/bus fare of Delhi Malanpur to Members who reside in Delhi and attend the meeting at Malanpur.
5. The instrument of share transfer, completed in all respects should be sent to the Company well in advance, so as to reach to the Company prior to book closing. Shares under any defective transfer (unless defect is removed prior to book closing) and/or instrument of transfer received during the period of book closing shall be considered after reopening of books.
6. Members are requested to bring their copy of Annual Report, as no copies will be distributed at the Annual General Meeting.
7. Members desirous of getting any information about the accounts under reference and operations of the Company are advised to address their queries to the Whole Time 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.

## No. of Other Board or Committees of Board in which the Director is a member or Chairman

Name of the Director	Category	No. of Other Directorship Held	Member/Chairperson of Other Committee
Mr. Anil Gupta	Chairman	10	None
Mr. G. Sankaranarayan	Whole Time Director	None	None
Mr. V. N. Masaldan	Non-Executive Director	5	2
Mr. D. C. Mathur	Non-Executive Director	3	4
Mr. Govind Narain	Non-Executive Director	2	None
Mr. Sanjiv Narayan	Non-Executive Director	8	2
Col. B. K. Rai	Non-Executive Director	7	3
Dr. S. Krishnamurthy	Non-Executive Director	7	4
Mr. G. L. Modi	Non-Executive Director	5	None
Mr. Rajneesh Malhotra (Alternate Director to Mr. H. B. Huang)	Alternate Director	2	None
Mr. S. S. Bhandari	Nominee Director	3	2
Mr. Anil Srivastava	Nominee Director	6	

## Composition, Category of Directors &amp; Attendance at Meetings

Name	Category of Directors					Attendance		
	Promoter	Executive	Non-Executive	Independent	Nominee	No. of Board Meeting	No. of Board Meeting held	Last AGM Attendance (Yes/No) Attendance
Mr. Anil Gupta (Chairman)	Yes	Yes				5	5	Yes
Mr. G. Sankaranarayan (Whole Time Director)	-	Yes				5	4	Yes
Mr. V. N. Masaldan			Yes	Yes		5	5	Yes
Mr. D. C. Mathur			Yes	Yes		5	5	Yes
Mr. Govind Narain			Yes	Yes		5	5	Yes
Mr. Sanjiv Narayan			Yes	Yes		5	5	Yes
Col. B. K. Rai			Yes	Yes		5	5	Yes
Dr. S. Krishnamurthy			Yes	Yes		5	5	Yes
Mr. G. L. Modi			Yes	Yes		5	1	Yes
Mr. Hsiu Bin Huang			Yes	Yes		5		
Mr. Rajneesh Malhotra (Alternate Director to Mr. Hsiu Bin Huang)			Yes	Yes		5	5	Yes
Mr. S. S. Bhandari (IDBI Nominee)				Yes	Yes	5	2	No
Mr. Anil Srivastava (M/s M.P.S.E.D.C Nominee)				Yes	Yes	5	1	No



\* The stipulated condition of quorum of the Audit Committee Meeting was duly complied.

#### **- Terms of Reference**

- \* Review of the company's financial reporting system its financial statements.
- \* Review of accounting and financial policies and practices.
- \* Review of the internal control and internal audit systems.
- \* Review of risk management policies and practices.
- \* Compliance with Accounting Standards, Stock Exchange and legal requirements.
- \* Related party transactions i.e. transactions of the company of material nature, with promoter or the management their subsidiaries.

#### **Board Procedures**

- \* The Board met 5 times during the year on 27.04.2001, 30.07.2001, 29.10.2001, 20.12.2001 and 28.01.2002 and the gap requirement between two meetings has been complied.
- \* The information required to be placed before the Board as required by the code are duly placed and discussed at the meetings.

#### **Information for Shareholders**

##### **\* Reappointment of Directors**

During the year Mr. Sanjiv Narayan, Mr. D. C. Mathur and Col. B. K. Rai retire from the Board by rotation and being eligible offer themselves for reappointment.

The term of Mr. G. Sankaranarayan, whole time director also expired on 26<sup>th</sup> May, 2002. He is proposed to be reappointed for a period of five years w.e.f. 27<sup>th</sup> May, 2002.

##### **\* Profile of Directors offering reappointment**

Mr. Sanjiv Narayan has vast experience in electronic industry and has been president of ELCINA. Presently he is having his own business related to electronic industry and is the Managing Director of SGS Tekniks Pvt. Ltd. He is also director of Hotline CPT Limited, Hotline Teletube & Components Ltd., Protek Components India Limited, Hotline Holdings Pvt. Ltd., Eltek SGS Pvt. Ltd., SGS Infotek Pvt. Ltd., SGS Holding & Leasing Pvt. Ltd. He is also Chairman of Audit Committee of your company, Hotline Teletube & Components Limited and Hotline CPT Limited.

Mr. D. C. Mathur who is a well qualified person is a fellow member of the Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost & Works Accountants of India, has rich experience in the field of finance and accounts and has been associated with the company since its inception. He is holding directorship of Hotline CPT Limited, Hotline Teletube & Components Ltd. and Hotline Wittis Display Devices Ltd. He is a Audit Committee Member of your company as well as all the above said three companies.

Col. B. K. Rai is a very well experienced person in the field of electronics. He has held several senior positions in the industry including the Chairmanship of UPTRON Group Companies, HCL Ltd. He is holding directorship of RPG Paging Services Ltd., Punsumi India Ltd., Hotline Teletube & Components Ltd., National Information Technologies Limited, Softek Pvt. Ltd., S.P. Wahi Management & Technology Consultants Pvt. Ltd. and Estel Telecom Pvt. Ltd. He is also member of Audit Committee of Hotline Teletube & Components Ltd., RPG Paging Services Limited and Punsumi India Ltd. and Member of Remuneration Committee of Punsumi India Ltd.

Mr. G. Sankaranarayan is an engineer with an experience of more than 30 years and has held senior position in Raymonds Wollen Mills Ltd. He has vast experience of Glass Industry and has been overall in charge of plant operations and was appointed as whole time director of your company. He is not holding directorship committee membership of any other company. The Board has already approved the reappointment w.e.f. 27<sup>th</sup> May, 2002 subject to the consent of members.

#### **Remuneration of Directors**

\* Remuneration to Mr. G Sankaranarayan, Whole Time Director is payable within the limit of Schedule XIII of the Companies Act, 1956. The disclosure of same is made in the Notes to Accounts section of Annual Accounts. No Remuneration is paid to Mr. Anil Gupta, Chairman. Company is not paying any remuneration to the Non-Executive Directors. A Remuneration Committee shall be constituted as and when the need is felt.

#### Shareholder Grievance Committee

The shareholder grievance committee comprises of Mr. D. C. Mathur, Chairman, a Non-Executive Director, Mr. Sanjiv Narayan and Mr. V. N. Masaldan. This committee monitors complaints of shareholders relating to transfer of shares, non receipt of balance sheet etc.

No. of Complaints received from SEBI/Stock Exchanges during the year. 10

No. of Complaints resolved by the company/RTA 10

#### Share Transfer Committee

\* The Share Transfer Committee processes and approves the shares sent for transfer, transmission etc. and normally meets two times in a month.

The Board has designated Ms. Monika Matai, Company Secretary as the compliance officer of the company.

#### Disclosure on material transactions with related parties

\* No transaction of material nature has been entered into by the company with promoters, directors or the management, their subsidiaries or relatives etc. which has any potential conflict with the interest of the company at large.

#### Details of Non-Compliance

\* The company has not made any non-compliance of statutory regulations and no penalty has been imposed by the stock exchange or SEBI or any other statutory authority nor any strictures passed by them.

#### Half yearly and quarterly results

\* The half yearly and quarterly results of the company are generally published in Business Standard and Dainik Bhaskar

#### Details on last 3 Annual General Meetings

Year	Date	Location	Time	Whether Special Resolution Passed
1998-99	29/12/99	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	1:00 PM	No
1999-2000	23/12/00	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	1:00 PM	No
2000-2001	20/12/01	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	12:00 PM	Yes

#### Shareholders Information

\* Registered Office & Works : CBG 7-51, Ghirongi Industrial Area, Distt. Bhind (M.P.)  
\* Corporate Office : 241, Okhla Industrial Estate, Phase III, New Delhi 110020  
011-6311601, 011-6315474

Registrar and Share Transfer Agent : MCS Limited  
212 A, Sri Venketesh Bhawan  
Shahpurjat, New Delhi 110049

#### Share Transfer System

\* The share transfer committee processes and approves shares sent for transfer, transmission etc. Share transfers are registered and returned by the Share Transfer Agent within a period of 30 days from the date of receipt, if the documents are correct in all respects.

#### Dematerialisation of Shares

\* Effective from 29<sup>th</sup> Jan 2001, shares of the company were admitted to compulsory demat mode vide circular no. 23/2000 dt. 29<sup>th</sup> May, 2000 issued by SEBI. Accordingly company has established connectivity with both depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and presently shares of the company are held in both electronic and physical mode.

No. of shares held in dematerialised mode (as on 02.08.02) = 3,88,44,660  
% of Total = 48.56%



#### Listing Fees

\* The Company had applied for delisting of shares from Calcutta, Ahmedabad and Madras Stock Exchanges. The Company has already complied with the guidelines laid down by SEBI with regard to delisting. The listing fees of other Stock Exchanges viz Delhi Stock Exchange, Mumbai Stock Exchange & Madhya Pradesh Stock Exchange for the year 2002 - 2003 has been paid.

#### Annual General Meeting

\* The Annual General Meeting of the company will be held on 30<sup>th</sup> September, 2002 at 12:30 PM at 139, Malanpur Industrial Area, Distt. Bhind (M.P.).

#### Dividend

\*In view of losses no dividend is recommended during the year.

#### Date of Book Closure

\* 16<sup>th</sup> September, 2002 to 30<sup>th</sup> September, 2002 (both days inclusive)

#### Financial Year

\* The financial year of the company is changed from 1<sup>st</sup> July - 30<sup>th</sup> June to 1<sup>st</sup> April - 31<sup>st</sup> March. Hence the present financial year of the company is of 9 months beginning from 1<sup>st</sup> July, 2001 and concluding on 31<sup>st</sup> March, 2002.

#### Stock Code

(Madhya Pradesh Stock Exchange) : 2307

#### Distribution of Shareholding as on 31/03/2002

Class of Investors	No. of Shares Held	% of Holding
Indian Promoters & Associates	3,30,35,781	41.295%
Foreign Promoters	1,15,48,000	14.435%
Non Resident Indian / Overseas Corporate Bodies	5,22,300	0.653%
Mutual Funds and Unit Trust of India	16,98,100	2.123%
Banks/Financial Institutions/Ins. Companies	58,17,899	7.272%
Private Corporate Bodies	66,73,536	8.342%
HUF / Firms	1,55,805	0.195%
Top 50 Shareholders	22,87,764	2.860%
Indian Public	1,82,60,815	22.825%
<b>Total</b>	<b>8,00,00,000</b>	<b>100%</b>

#### Market Price Data

\* Monthly High & Low

#### Hotline Glass Limited - BSE

Month	High	Low
Jul - 01	1.50	1.15
Aug - 01	1.25	0.95
Sep - 01	1.25	0.95
Oct - 01	1.55	1.00
Nov - 01	2.90	1.15
Dec - 01	2.80	1.75
Jan - 02	2.85	2.00
Feb - 02	2.25	1.65
Mar - 02	1.80	1.50