



# HOTLINE TELETUBE & COMPONENTS LIMITED



11<sup>th</sup>  
Annual Report 1999-2000

## HOTLINE TELETUBE & COMPONENTS LIMITED

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### BOARD OF DIRECTORS

Shri Anil Gupta - Chairman  
Shri V. N. Masaldan - Managing Director  
Shri Govind Narain  
Col. B. K. Rai  
Shri Amarjit Chopra  
Shri Sanjiv Narayan  
Shri D. C. Mathur  
Shri M. P. Rajan

### BANKERS

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

### STATUTORY AUDITORS

M/s S. S. Kothari & Co., Chartered Accountants  
8-D, Atma Ram House, 1, Tolstoy Marg,  
New Delhi - 110 001

### REGISTERED OFFICE

139, Malanpur Indl. Area  
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  
Phone No. 6494830, 6494831, 6490051  
Fax : 6494152

## HOTLINE TELETUBE & COMPONENTS LIMITED

### NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of Hotline Teletube & Components Limited will be held on Saturday the 23<sup>rd</sup> Day of December 2000 at 11.30 A.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 30<sup>th</sup> June 2000 and Report of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Govind Narain, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. D. C. Mathur, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint auditors & to fix their remuneration.

By the Order of the Board  
for **HOTLINE TELETUBE & COMPONENTS LTD.**

(V. N.MASALDAN)  
**MANAGING DIRECTOR**

Place : New Delhi

Date : 25.11.2000

#### 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 Thursday the 14<sup>th</sup> December, 2000 to Friday the 22<sup>nd</sup> December '2000 (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.
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 Managing 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.
8. **DEMATERIALISATION OF SHARES** - The Securities and Exchange Board of India (SEBI) has vide its circular no. 23/2000 dated 29<sup>th</sup> May 2000 directed that all transactions in shares of the company shall compulsorily be in dematerialised form w.e.f. 25<sup>th</sup> September 2000. Accordingly your company has entered into an agreement with both the depositories viz. National Securities Depositories Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to enable the company's investors to hold the shares in electronic form. Shareholder desirous of having their shares in the depository system instead of keeping them in physical form may avail of this facility. Investors are advised to send the request for dematting, share transfer, consolidation, splitting etc. and all other related correspondence to M/s MCS Ltd. (Registrar and Share transfer agent) or at the office of the company at the above mentioned address.
9. **LISTING ON STOCK EXCHANGES** - The company is presently listed on Delhi Stock Exchange, Calcutta Stock Exchange, Madhya Pradesh Stock Exchange and Mumbai Stock Exchange. The listing fees for the year 2000 - 01 have been paid to all said stock exchanges.

## HOTLINE TELETUBE &amp; COMPONENTS LIMITED

## DIRECTORS' REPORT

The Members

**HOTLINE TELETUBE & COMPONENTS LTD.**

Your directors are pleased to present the Eleventh Annual Report together with Audited statement of accounts of your Company for the year ended 30<sup>th</sup> June '2000.

	YEAR ENDED 30.06.2000	(Rs In Lacs) YEAR ENDED 30.06.1999
<b>FINANCIAL RESULTS</b>		
- Sales & other income	5047	6080
- Profit before Depreciation & Financial Expenses	400	480
- Financial Expenses	256	323
- Cash Profit	144	157
- Depreciation & Misc Exp. w/off	123	127
- Net Profit Before Tax	21	30
- Minimum Alternate Tax	1	5
- Dividend	51	51
- Dividend Tax	11	6

**OPERATIONS**

During the year under review, the company achieved a turnover of Rs. 5047 lacs as compared to Rs. 6080 lacs during the previous year due to decline in the market of Black & White T. V. sets. Inspite of lower turnover the company was able to make profits due to better realisation of prices in the second half of the year.

**DIVIDEND**

The Directors recommend to maintain dividend @ 10% (Rs. 1/- per share) free of tax in the hand of shareholders. Company will draw out of its accumulated profits to distribute the dividend to maintain consistency of distribution of dividends since beginning of commercial operations. Also the company is hopeful for better results in future.

**FUTURE PROSPECTS**

The overall market for Black & White TV has declined during the current year. With the thrust of the Government on rural electrification, it is expected that the Black & White TV market demand would not decline further. However, to maintain the level of profits, the company proposes to introduce small size tube for domestic and international market and by strengthening synergetic relationships.

**DEMATERIALISATION OF SHARES**

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**FIXED DEPOSIT**

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

**DIRECTORS.**

Mr. Govind Narain and Mr. D. C. Mathur 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 are eligible 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.

**PARTICULARS OF EMPLOYEES**

None of the employees are covered under section 217 (2A) of the Companies Act, 1956 and rules framed there under.

**CORPORATE GOVERNANCE**

Our Company is highly committed to uphold the corporate governance values. The Company is required to implement corporate governance latest by 31<sup>st</sup> March 2003. However the company has already set in motion certain practices towards achievement of good corporate governance. The Board of Directors of the company comprises of eight directors out of which more than half are non-executive and independent directors. Further an audit committee has been formed comprising of Mr. Sanjiv Narayan, Col. B. K. Rai and Mr. D. C. Mathur, all three being non-executive directors. Mr. Sanjiv Narayan is the chairman of the committee and is a non-executive and independent director. The audit committee has been formed to review and monitor the activities of the company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO**

- The particulars regarding conservation of energy are not applicable during the year.
- The company is engaged in continuous Research & Development activity to indiginise the various components as well as to reduce the cost of raw material used in the manufacture of tubes and electron guns.
- Total foreign exchange incurred during the period is Rs. 158 Lacs.
- Total foreign exchange earned during the period is Rs. 188 Lacs.

**ACKNOWLEDGMENT**

The Board places on record its gratitude to Government Authorities, Banks and the Shareholders for their support.

The Board also places on record its appreciation for the valuable services rendered by the employees at all levels.

For and on behalf of the Board of Directors

Place: New Delhi

Date : 25.11.2000

(V.N.MASALDAN)  
MANAGING DIRECTOR

**HOTLINE TELETUBE & COMPONENTS LIMITED****AUDITORS' REPORT**

The Members,

**HOTLINE TELETUBE & COMPONENTS LIMITED**  
NEW DELHI.

We have audited the attached Balance Sheet of HOTLINE TELETUBE & COMPONENTS LIMITED as at 30th June, 2000 and also the Profit & Loss Account of Company for the period ended on that date annexed thereto and report that :-

As required by the Manufacturing and other Companies (Auditor's Reports) Order 1988, issued by the Central Government under Section 227(4A) of the Companies Act, 1956 and as per the information and explanations given to us during the course of our audit and on the basis of such checks and verifications as were considered appropriate, we give our comments in the annexure on the matters specified in the order to the extent applicable to the Company.

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books.
3. The Balance Sheet and the Profit & Loss Account dealt with by the report are in agreement with the books of accounts.
4. In our opinion the Profit & Loss Account and Balance sheet complied with the Accounting standards as specified by Institute of Chartered Accountants of India referred to in Sub-section (3C) of Section 211 of Companies Act, 1956.
5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with Accounting Policies and Practices Note No.B-1 of Schedule XIV with regard to non provision of diminution in value of long term investments impact on profit unascertained and other Notes of the same schedule gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
  - a) In the case of Balance Sheet of the state of affairs of the company as on 30th June, 2000 and
  - b) In the case of Profit & Loss Account of the profit of the company for the year ended on that date.

For S S KOITHARI & CO.  
CHARTERED ACCOUNTANTS

Place : New Delhi  
Date : 25.11.2000

ATUL SEKSARIA  
PARTNER

**ANNEXURE TO AUDITORS REPORT**

(Referred to in Paragraph - 1 of our Report of even date on the accounts of HOTLINE TELETUBE & COMPONENTS LIMITED for the accounting year ended on 30th June, 2000)

- 1) The company is maintaining the records of fixed assets showing full particulars including quantitative details and locations thereof. We have been informed by the management that the major production of fixed assets have been physically verified and no discrepancy was found.
- 2) None of the fixed assets have been revalued during the year.
- 3) The stock of finished goods, stores and spare parts (including loose tools & packing materials) and raw materials of the company have been physically verified by the management during the year. In our opinion, the frequency of verification is adequate keeping in view the activities of the company.
- 4) In our opinion, the procedure of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- 5) We have been explained that the discrepancies noticed on physical verification of stock as compared to book records, were not material in relation to the operation of the company and the same have been properly dealt with in the books of accounts.
- 6) i) The valuation of Stock is proper in accordance with the accounting policy followed by the company as per Note No. A-7 of Schedule XIV during the year certain expenses have been excluded from the valuation of inventories to meet the requirement of accounting standard - 2 on valuation of Inventories Issued by the Institute of Chartered Accountants of India. Due to this the inventories are lower by Rs. 5,18,975/- and consequently profit is also lower by the same amount.  
Similarly, the company has also valued its Inventory of Raw Material, Packing Material, Stores & Spares and Work in Progress from "at cost" to "at cost or net realisable value which ever is less" which however has no impact on the profit for the year. Further in respect of uncleared finished goods, the excise duty has been included to meet the requirement of recently revised guidance Note on "Accounting treatment of excise duty" issued by the Institute of Chartered Accountants of India. This, however had no impact on the profit for the year.  
ii) From this Year, the basis of computation of cost has been changed from "weighted average" to "FIFO" method in the case of Raw Material and Packing Material. Due to this the Inventory and Profit for the Year have Increased by Rs. 35,29,236/-
- 7) In our opinion the rate of interest and terms and conditions of unsecured loan taken from companies listed in the register maintained under Section 301 of the Companies Act, 1956, are not prima-facie prejudicial to the interest of the company.
- 8) No amount in the nature of loan has been given during the year to parties listed in the register maintained under section 301 of the Companies Act, 1956.  
Note : In terms of Sub-Section (6) of the Section 370 of the Companies Act, 1956, provision of Section 370 are no longer applicable to a companies since 31st October 1998.
- 9) Interest free loans given to employees/others are being recovered/adjusted as per agreed terms.
- 10) In our opinion and according to the information and explanations given to us there are reasonable internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, raw materials including components, plant & machinery, equipments and other similar assets and for the sale of goods.
- 11) As far as we could ascertain on the basis of our selective checking and according to the information and explanations given to us, the prices paid for goods, materials and assets and for sale of goods and materials, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956, and aggregating during the year to Rs. 50000/- or more in respect of each party are reasonable having regard to prevailing market prices for such good, material and assets or the prices at which transactions for similar goods and materials have been made with other parties wherever available with the company.
- 12) We have been explained that no stock of unserviceable or damaged stores, finished goods, Raw Material have been determined during the year.
- 13) The company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956, from the public.
- 14) In our opinion, reasonable records have been maintained by the company for the sale and disposal of scrap. There are no by-products.
- 15) In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
- 16) We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 for the year under review.
- 17) According to the records of the company, Employees state insurance dues and provident fund dues have been regularly deposited during the year with appropriate authorities.
- 18) There were no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty and Excise Duty were outstanding as at 30th June, 2000 for a period of more than six months from the date they became payable.
- 19) During the course of our examination of books of accounts carried out in accordance with the generally accepted auditing practices, we have not come across any personal expenses, other than expenses under contractual obligation with the company's employees and/or generally accepted business practices, which have been charged to revenue accounts.
- 20) The company is not a sick industrial company within the meaning of Section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- 21) No service activity has been carried out during the year.

For S S KOITHARI & CO.  
CHARTERED ACCOUNTANTS

Place : New Delhi  
Date : 25.11.2000

ATUL SEKSARIA  
PARTNER