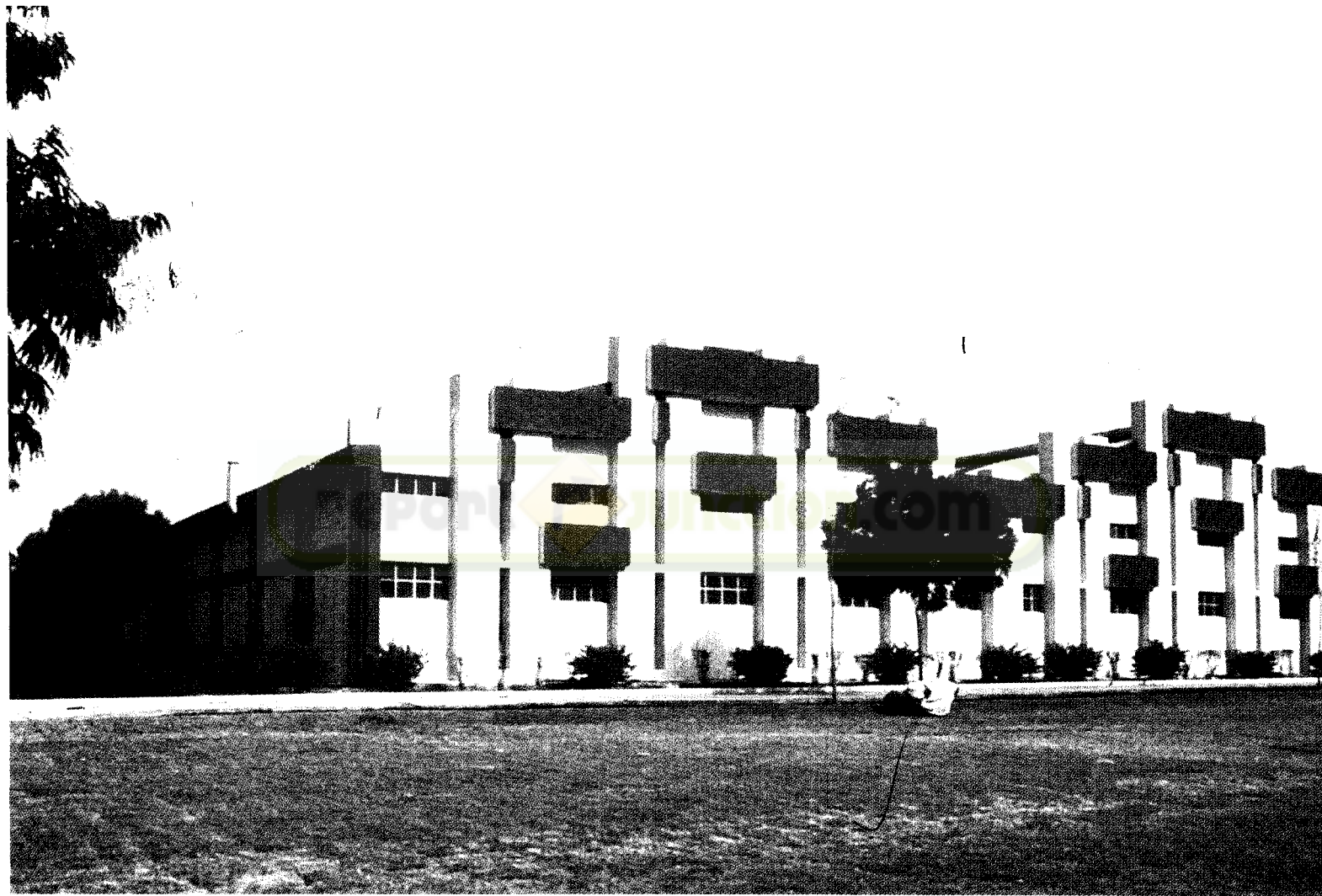


# Annual Reports Library

**HOTLINE TELETUBES & COMPONENTS LIMITED**



## **13<sup>th</sup> Annual Report 2001-2002**

# Qual Reports Library

## 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  
Phones No. 6494830, 6494831 & 6490051  
Fax : 6494152

# Annual Reports Library

HOTLINE TELETUBE & COMPONENTS LIMITED  
NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of Hotline Teletube & Components Limited will be held on Monday, 30<sup>th</sup> September 2002 at 11:00 AM 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. Amarjit Chopra, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. M. P. Rajan, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint auditors & to fix their remuneration.

Certified True Copy  
For **HOTLINE TELETUBE & COMPONENTS LTD.**

Place: New Delhi  
Date: 14.08.2002

**V. N. MASALDAN**  
MANAGING DIRECTOR

## 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.
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.

(Clause 49 of the Listing Agreement)

## Company's Philosophy on Corporate Governance

The Board of Directors and the Management of Hotline Teletube & Components Ltd. 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 present strength of board is 8 members out of which 6 are Non-Executive Directors. Mr. Anil Gupta, Promoter Director and Mr. V. N. Masaldan, Managing 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

Black & White T. V. Industry is passing through a declining phase in India and the demand for Black & White T. V. is going down despite the fact that the penetration level of T. V. in India is very low as compared with the penetration level in other countries. The demand for Black & White T. V. has gone down substantially during the year.

The company produces Black & White Picture Tubes, Glass Shells for Picture Tubes, Electron Gun & Glass stems. Glass Shells are used by the company for production of Cathode Ray Tube and also sold to other tube manufactures. Company also sells glass stem to electron gun manufacturers, besides using the same for production of electron gun.

The demand for Black & White T. V. is less than the capacities built in the industry. This is due to stiff competition in the picture tube industry, high incidence of taxes like excise duty, sales tax etc. and lack of rural electrification.

The company is confident of maintaining the position of leadership in Black & White Picture Tube industry. Besides, the company is making constant efforts to increase export volumes and adding some lines for allied products. The company believes that in the long term the industry outlook can be positive if the tax structure for Black & White T. V. set is rationalised and the pace of rural electrification is increased.

There are strong internal control systems backed up by regular internal audit that are reviewed periodically by Audit Committee.

Due to lack of demand and fall in prices of picture tubes the company has incurred a loss of Rs. 211 Lacs during the year.

The company employs 360 workers. As a result of sound Human Resources Policies the industrial relations are cordial.

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

## Audit Committee

### - Composition

\* The Audit Committee of the company comprises of Mr. Sanjiv Narayan, Col. B. K. Rai 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 Finance Head, Internal Auditor and representative of External Auditors were present in the audit committee meetings 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 & 28.01.2002 had been held.

\* 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 and maintenance of cost records.

\* 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 & 28.01.2002 and the gap requirement between two meeting 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.

### Shareholders

- \* During the year Mr. Amarjit Chopra and Mr. M. P. Rajan retire from the Board by rotation and being eligible offer themselves for reappointment.

### \* Profile of Directors offering reappointment

Mr. Amarjit Chopra is a well qualified professional, fellow member of Institute of Chartered Accountants of India. He possesses good knowledge and has rich experience in the field of Accountancy and Finance. He is also director in M/s Ricoh Auto Ltd. and Roop Automotives Ltd.

Mr. M. P. Rajan, an IAS was the Chairman of M/s M.P.K.A.V.N. He is a well qualified and experienced. He is also director in M/s Ritspin Synthetic Ltd. Calcutta.

### Remuneration of Directors

\* Remuneration to Mr. V. N. Masaldan, Managing Director is payable within the limit of schedule XIII of the Companies Act, 1956. Disclosure of remuneration payable to Mr. V. N. Masaldan is made in the notes to Accounts section of the 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 when the need is felt.

### 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 Committees
Mr. Anil Gupta	Chairman	10	None
Mr. V. N. Masaldan	Managing Director	5	2
Mr. D. C. Mathur	Non-Executive Director	3	3
Mr. Govind Narain	Non-Executive Director	2	None
Mr. Sanjiv Narayan	Non-Executive Director	8	3
Col. B. K. Rai	Non-Executive Director	7	3
Mr. Amarjit Chopra	Non-Executive Director	2	None
Mr. M. P. Rajan	Non-Executive Director	1	None

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

Name	Category of Directors					Attendance		
	Promoter	Executive	Non-Executive	Independent	Nominee	No. of Board Meetings held	No. of Board Meetings Attended	Last AGM Attendance (Yes/No)
Mr. Anil Gupta (Chairman)	Yes	Yes				5	5	Yes
Mr. V. N. Masaldan (Managing Director)		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
Mr. M. P. Rajan			Yes	Yes		5	1	No
Mr. Amarjit Chopra			Yes	Yes		5	1	No
Col. B. K. Rai			Yes	Yes		5	5	Yes

# Annual Reports Library

HITLINE ZEE TUBE & COMPONENTS LIMITED

## 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, dividend, interest etc.

## Share Transfer Committee

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

The Board has designated Ms. Deepanjali Dewan, 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

<u>Year</u>	<u>Date</u>	<u>Location</u>	<u>Time</u>	<u>Whether Special Resolution Passed</u>
1998-99	29/12/99	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	11:30 AM	No
1999-2000	23/12/00	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	11:30 AM	No
2000-2001	20/12/01	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	11:00 AM	Yes

## Shareholders Information

\* Registered Office & Works : 139, Malanpur 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 share 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 25<sup>th</sup> September, 2000, 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 had established connectivity with both the depositories viz. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and presently the shares of the company are held in both electronic and physical mode.

\* No. of Shares held in dematerialised form (as on 02.08.02) = 39,10,180  
% to total = 77.15%



# Annual Reports Library

HOTLINE TELETUBE & COMPONENTS LIMITED

## Listing Fees

The company had applied for delisting of shares from Calcutta Stock Exchange. The company has already complied with the guidelines laid down by SEBI with regard to delisting. However the listing fees of Delhi Stock Exchange, Madhya Pradesh Stock Exchange for the year 2002 - 2003 has already been paid.

## Annual General Meeting

\* The Annual General Meeting of the company will be held on 30<sup>th</sup> September, 2002 at 11:00 AM at 139, Malanpur Industrial Area, Distt. Bhind (M.P.).

## Dividend

\* In view of losses no dividend is recommended by the Board.

## 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) : 2945

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

Class of Investors	No. of Shares Held	% of Holding
Promoters & Associates	26,62,460	52.533%
Non Resident Indian / Overseas Corporate Bodies	1300	0.026%
Mutual Funds and Unit Trust of India	1,97,600	3.840%
Banks/Financial Institutions/Ins. Companies	NIL	NIL
Private Corporate Bodies	9,16,049	18.074%
HUF / Firms	505	0.010%
Top 50 Shareholders	2,32,350	4.58%
Indian Public	10,60,936	20.937%
<b>Total</b>	<b>50,62,200</b>	<b>100%</b>

## Market Price Data

\* Monthly High & Low

## Hotline Teletube & Components Ltd. - BSE

Month	High	Low
Jul 01	9.25	7.10
Aug 01	6.25	5.05
Sep 01	5.50	4.05
Oct 01	6.95	3.85
Nov 01	9.00	6.75
Dec 01	7.90	6.50
Jan 02	6.00	5.15
Feb 02	6.35	5.00
Mar - 02	6.00	5.00

# Annual Reports Library

HOTLINE TELE TUBE & COMPONENTS LIMITED

## DIRECTORS REPORT

To,

The Members

Hotline Teletube & Components Ltd.

Your Directors are pleased to present the Thirteenth Annual Report together with the Audited Statement of Accounts of the company for the Period ended 31<sup>st</sup> March, 2002.

### Financial Results

(Rs. In Lacs)

Particulars	Period ended 31 <sup>st</sup> March, 2002 (9 Months)	Year ended 30 <sup>th</sup> June, 2001
Sales and Other Income	5938	7374
Profit/(Loss) before Depreciation & Financial Expenses	(9)	376
Financial Expenses	116	233
Cash Profit	(125)	143
Depreciation & Misc. Exp. w. off	86	116
Net Profit/(Loss) before tax	(211)	27
Income Tax:		
Current Tax:	NIL	6
Deferred Tax:	(-) 15	NIL
Dividend	NIL	51
Dividend Tax	NIL	5

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to sub section (2AA) of section 217 of the Companies Act, 1956 the Board of Directors of the company hereby state and confirm that:

- In the preparation of Annual Accounts for the year ended 31<sup>st</sup> March, 2002 the applicable accounting standards have been followed.
- The financial statements do give a true and fair view of the state of affairs of the company for the financial year ended 31<sup>st</sup> March, 2002 and your directors have selected and applied the consistent accounting policies and the judgement and estimates made therein are reasonable and prudent.
- Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities have been ensured.
- The Annual Accounts for the year ended 31<sup>st</sup> March, 2002 have been prepared on a going concern basis.

### OPERATIONS

During the period of 9 months ended 31<sup>st</sup> March, 2002 the company has achieved a turn over of Rs. 58 Crores as against Rs. 73 Crores in 2000 - 2001 for 12 months. On an annualised basis there is marginal growth of around 6%. However in terms of quantity the growth in sales on annualised basis is 11%. The turnover increase in value terms is not proportionate as there is substantial reduction in prices. This has resulted in loss of Rs. 211 Lacs. However the company continues to retain the position of market leader in the Black & White Picture Tube Industry. As the prices of picture tubes are reducing the best option for the company is to sustain position by increasing its volume of sales both in domestic & export market.

### DIVIDEND

In view of the position explained under the head operations, the company has incurred losses during the year, hence your directors are not recommending any dividend this year.

The company has not drawn out of reserves, due to new mandatory accounting standard regarding deferred tax, because of which accumulated reserves have been depleted by Rs. 378 Lacs.

### FUTURE PROSPECTS

The demand for Black & White T.V. is going down despite the fact that the penetration level of T.V. in India is low when compared with the penetration level in other countries. It is hoped that B&W T.V. Industry would atleast maintain the existing demand level considering the programme of Govt. of India for rural electrification. The company is confident of maintaining the position of leadership in B & W Picture Tube Industry. Besides the company is exploring all possibilities of adding some line for allied products and is making constant efforts to increase its export.