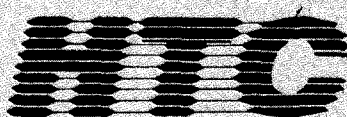


14th Annual Report 2002-2003

**HOTLINE
TELETUBE &
COMPONENTS
LIMITED**



HOTLINE TELETUBE & COMPONENTS LIMITED

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
Mid Corporate Branch, Barakhamba Road,
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. 26494830, 26494831 & 26490051
Fax : 26494152

HOTLINE TELETUBE & COMPONENTS LIMITED**NOTICE**

NOTICE is hereby given that the Fourteenth Annual General Meeting of Hotline Teletube & Components Limited will be held on Tuesday, 30th September 2003 at 11:00 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 31st March 2003 and Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Anil Gupta, 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 auditors & to fix their remuneration.

SPECIAL BUSINESS

5. 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 Mr. V. N. Masaldan as Managing Director of the company for a period of 5 years with effect from 30th May 2003 and the payment of remuneration of Mr. V. N. Masaldan during the tenure of his appointment on such terms and conditions as given in the explanatory statement."

Certified True Copy

For **HOTLINE TELETUBE & COMPONENTS LTD.**

PLACE : NEW DELHI

DATE : 30.07.2003

V. N. MASALDAN

MANAGING DIRECTOR

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 TO ITEM NO. 5

Mr. V. N. Masaldan, Managing Director of the company was appointed for a period of 5 years. The Board considers it desirable that the company should continue to avail itself of the services of Mr. V. N. Masaldan, Managing Director and have also approved the reappointment in its meeting held on 26th April 2003. Members are requested to approve his reappointment as Managing Director for a period of 5 years w.e.f. 30th May 2003 on following terms & conditions:

<u>Particulars</u>	<u>Amount in Rs.</u>
Basic Salary	: 31,340/-
HRA	: 18,804/-
Medical	: One month basic salary per annum
Leave Travel Assistance	: One month basic salary per annum
Provident Fund	: 12% of Basic

Managing 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 II of part II of schedule XIII of the Companies Act, 1956.

Except Mr. V. N. Masaldan 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 16th September 2003 to 30th September 2003 (both days inclusive).
3. Shareholders / Proxy Holders 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.

HOTLINE TELETUBE & COMPONENTS LIMITED**DIRECTORS REPORT**

To,

The Members

Hotline Teletube & Components Ltd.

Your Directors are pleased to present the Fourteenth Annual Report together with the Audited Statement of Accounts of the company for the year ended 31st March 2003.**FINANCIAL RESULTS**

(Rs. In Lacs)

Particulars	Year ended 31 st March 2003 (12 Months)	Period ended 31 st March 2002 (9 Months)
Sales and Other Income	6582	5924
Profit/(Loss) before Depreciation & Financial Expenses	391	(14)
Financial Expenses	239	111
Cash Profit/(Cash Loss)	152	(125)
Depreciation & Misc. Exp. w. off	118	86
Net Profit/(Loss) before tax	34	(211)
Income Tax:		
Current Tax:	34	NIL
Deferred Tax:	(19)	(15)
Net Profit after tax	19	(196)

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 31st March 2003, 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 31st March 2003 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 31st March 2003 have been prepared on a going concern basis.

OPERATIONS

During the year ended 31st March, 2003 the company has achieved a net profit before Tax of Rs. 34 Lac as against loss of Rs. 211 Lac in 2001 – 2002 for a period of 9 months. During this year, the company not only sold more quantity as compared to last year but also reduced raw material cost substantially. Since February 2003, the prices of picture tubes have also started increasing. Also during the current year the exports increased by 54% on annualised basis as the company has set up strong export base. The company continuous to retain the position of market leader in the Black & White Picture Tube Industry.

DIVIDEND

In view of inadequacy of profit during the year, your directors are not recommending any dividend this year.

FUTURE PROSPECTS

Despite low penetration level of T.V., the demand for Black & White T.V. continues to be low. The basic reason for this is lack of power. With the passing of new Electricity Act, it appears that the power situation, especially in rural area would improve. This would result into improvement in demand. However considering slackness in domestic demand, company is increasing its exports. It has also started trading in colour picture tubes and is also contemplating manufacturing of parts for colour picture tubes. With rationalisation of prices, it is hoped that your company would make good profit in the current year.

CORPORATE GOVERNANCE

Your company and its Board is committed to achieve the highest standards of Corporate Governance. The Corporate Governance practices followed by the company are indicated separately in the Annexure forming part of this Report.

A certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement is also attached.

FIXED DEPOSIT

The company has not accepted any fixed deposit from the public during the year.

DELISTING

The Listing fees of Delhi Stock Exchange, Madhya Pradesh Stock Exchange & Mumbai Stock Exchange for the year 2003 – 2004 has already been paid. The company has already completed all formalities to get delisted from Calcutta Stock Exchange.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Mr. Anil Gupta and Mr. D. C. Mathur, Directors of the Company retire by rotation and are eligible for re-appointment. Mr. V. N. Masaldan was re-appointed as the Managing Director of the company for a period of 5 years w.e.f. 30th May 2003, u/s 269 & 317 read with Schedule XIII of the Companies Act, 1956. His re-appointment has been recommended for your approval u/s 269 read with Schedule XIII of the Companies Act, 1956.

As required, the details concerning the Directors are included in the Corporate Governance Report.

AUDITORS

Your Company's Statutory Auditors, M/s. S. S. Kothari & Co., Chartered Accountants, 8 – D, Atmaram House, 1, Tolstoy Marg, New Delhi – 110001 retire at the conclusion of the forth coming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

OBSERVATION OF AUDITORS

The observation of Auditors has been suitably explained in the notes to the Accounts.

PARTICULAR OF EMPLOYEES

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

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. 182 Lacs.
- Total foreign exchange earned during the period is Rs. 798 Lacs.

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from Government Authorities, Banks and Shareholders.

Your Directors wish to place on record their sincere appreciation for the valuable services rendered by the employees of the company without their valuable contributions, the good performance of your company would not have been possible.

FOR AND ON BEHALF OF BOARD OF DIRECTORS

V. N. MASALDAN
(MANAGING DIRECTOR)PLACE : NEW DELHI
DATE : 30.07.2003

HOTLINE TELETUBE & COMPONENTS LIMITED

COMPLIANCE REPORT ON CORPORATE GOVERNANCE

(Clause 49 of the Listing Agreement)

Company's Philosophy on Corporate Governance

The basic philosophy of Corporate Governance in the company is to achieve business excellence and add shareholder value by following desired disclosure practices & sound decision making, achieved through effective & harmonious interactions amongst the Board of Directors, its committees & senior management. Transparency, accountability & responsibility are the guiding principles for all decisions, transactions & policy matters.

Good Corporate practices have guided the company to not only work towards the enhancement of shareholders value, but also towards overall betterment of all stakeholders, viz, shareholders, creditors, customers, employees & society at large.

Good Corporate Practices ensure that a company meets its obligations to optimise shareholders value. The Board of Directors and management of Hotline Teletube & Components Ltd. are committed to the key elements of Corporate Governance transparency disclosure & independent supervision to ensure that all functions of the company are discharged in a professionally sound, competent and transparent manner. The philosophy on Corporate Governance is founded upon a rich legacy of fair and transparent governance practices, many of which were in place before they were mandated. Following disclosures are set out towards achievement of good Corporate Governance.

Composition of the Board

The Board has eight directors, six of whom are non-executive directors. Mr. Anil Gupta, Promoter Director and Mr. V. N. Masaldan, Managing Director are the only Executive Directors. None of the non-executive directors has any pecuniary relationship with the company.

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 manufacturers. 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 has resulted in stiff competition in the picture tube industry. The demand of B/W T.V. is on decline due to 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. Today, the company makes not only picture tubes, electron guns and stems but is also producing glass bulbs for sale in the market. It has also set up strong export base. The company would shortly venture into production of components for colour picture tubes. This would further increase the turnover & profitability of the company. 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 rationalized and the pace of rural electrification is increased.

The company has an adequate system of internal controls to ensure that transactions are properly recorded, authorized and reported apart from safeguarding its assets. The internal control system is supplemented by well documented policies, guidelines and procedures and review carried out by the company's internal audit function which submits reports periodically to the management and the Audit Committee of the Board.

Despite all the adverse circumstances prevailing in B/W T.V. Industry the Company has posted profit of Rs. 34 Lac during the year.

The company employs 350 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. Col. B. K. Rai has over 35 years experience in Electronics Industry and he has been Chairman of Uptron.

- Chairman

* Mr. Sanjiv Narayan is the Chairman of the Committee and is a Non-Executive and independent director. He is an IIT Graduate and MBA and has vast experience in Electronics Industry. He is also the president of ELCINA.

* 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 20th January 2001 to comply with the code of Corporate Governance. In the financial year 2002 - 2003 five meetings dated 29.04.2002, 31.07.2002, 14.08.2002, 30.10.2002 & 30.01.2003 had been held.

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

- Terms of Reference

* The terms of reference stipulated by the Board of Directors to the Audit Committee are, as contained in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information.
- b. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the half-yearly and annual financial statements before submission to the Board, focussing primarily on (i) any

HOTLINE TELETUBE & COMPONENTS LIMITED

changes in accounting policies and practices, (ii) major accounting entries based on exercise of judgement by management, (iii) qualifications in draft audit report, (iv) significant adjustments arising out of audit, (v) the going concern assumption, (vi) compliance with accounting standards, (vii) compliance with Stock Exchange and legal requirements concerning financial statements and (viii) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

- d. Reviewing with the management, external and internal auditors, the adequacy and compliance of internal control systems.
- e. Reviewing the adequacy of internal audit functions.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.

Board Procedures

* The Board met 6 times during the year on 29.04.2002, 31.07.2002, 14.08.2002, 30.09.2002, 30.10.2002 and 30.01.2003 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

* During the year Mr. Anil Gupta and Mr. D. C. Mathur retire from the Board by rotation and being eligible offer themselves for reappointment. Mr. V. N. Masaldan was re-appointed as the Managing Director of the Company for a period of 5 years w.e.f. 30th May, 2003 u/s 269 and 317 read with Schedule XIII of the Companies Act, 1956. His re-appointment has been recommended for approval of shareholders u/s 269 read with Schedule XIII of the Companies Act, 1956.

* Profile of Directors offering reappointment

Mr. Anil Gupta is visionary, an aggressive businessman and compassionate leader who has developed a close knit organization of professionals to carry the Hotline Flag. He has been on the Board of Company since inception. He has rich knowledge and vast experience in the field of Electronics and Appliances Industry. He is Managing Director of Hotline CPT Limited and Hotline Glass Limited and also Director of Hotline Wittis Electronics Ltd., Hotline Wittis Display Devices Ltd., Fusebase India Pvt. Ltd., Fusebase Eltoro Pvt. Ltd., Protek Components India Ltd., Hotline Holdings Pvt. Ltd., Shankar Kapra Niryat Pvt. Ltd., Netilennium Technologies Pvt. Ltd. and Usha Computel Pvt. Ltd. He is also member of Audit Committee of Hotline CPT Limited

Mr. D. C. Mathur is a well qualified professional, fellow member of Institute of Chartered Accountants of India, Institute of Company Secretaries of India and Institute of Cost and Works Accountants of India. He possess good knowledge and has rich experience in the field of accountancy, finance and corporate laws and has been associated with the company since its inception. He is Joint Managing Director of Hotline CPT Limited and he is also holding directorship of Hotline Glass Limited and Hotline Wittis Display Devices Ltd. He is a Audit Committee Member of your company as well as all the above said three companies. He is also Chairman and Member of Shareholder Grievance Committee of your company and Hotline Glass Limited.

Mr. V. N. Masaldan is a law graduate. He possess good knowledge and has rich experience in marketing, legal and finance and has been associated with the company since its inception. He is Managing Director of your company and also holding directorship of Hotline Glass limited, Fusebase Eltoro Pvt. Ltd., Fusebase India Pvt. Ltd., Hotline CPT Limited & Hotline Wittis Display Devices Ltd. He is member of Audit Committee of Hotline CPT Limited and also member of Shareholder Grievance Committee of your company and Hotline Glass Limited.

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 of the Annual Accounts. No Remuneration is paid to Mr. Anil Gupta, Chairman. Company is not paying any remuneration to the Non-Executive Directors.

However, the company pays sitting fees to all directors except to Managing Director at the rate of Rs.2000/- for attending meeting of the Board and Audit Committee. The sitting fees paid for the year ended 31st March 2003 to the directors are as follows:

Name of the Director	Sitting Fees (Rs.)
Mr. Anil Gupta	8000
Col. B. K. Rai	20000
Mr. Amarjit Chopra	2000
Mr. Govind Narain	10000
Mr. Sanjiv Narayan	22000
Mr. D. C. Mathur	22000
Mr. M. P. Rajan	2000
Total	86,000

HOTLINE TELETUBE & COMPONENTS LIMITED

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	11	1
Mr. V. N. Masaldan	Managing Director	5	2
Mr. D. C. Mathur	Non-Executive Director	3	4
Mr. Govind Narain	Non-Executive Director	2	1
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

Attendance of Directors at the Board Meetings and Last Annual General Meeting

Attendance record of participating directors at the Board Meetings and the Annual General Meeting held during the year ended March 31st, 2003 is as follows:

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	---	---	---	6	4	Yes
Mr. V. N. Masaldan (Managing Director)	---	Yes	---	---	---	6	6	Yes
Mr. D. C. Mathur	---	---	Yes	Yes	---	6	6	Yes
Mr. Govind Narain	---	---	Yes	Yes	---	6	5	No
Mr. Sanjiv Narayan	---	---	Yes	Yes	---	6	6	Yes
Mr. M. P. Rajan	---	---	Yes	Yes	---	6	1	Yes
Mr. Amarjit Chopra	---	---	Yes	Yes	---	6	1	Yes
Col. B. K. Rai	---	---	Yes	Yes	---	6	5	Yes

HOTLINE TELETUBE & 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. The total number of complaints received and replied to the satisfaction of shareholders during the year under review was 65.

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. 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 Free Press Journal, Dainik Bhaskar and Hindu.

Details of last 3 Annual General Meetings

Year	Date	Location	Time	Whether Special Resolution Passed
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
2001-2002	30/09/02	139, Malanpur Industrial Area, Distt. Bhind (M.P.)	11:00 AM	No

Shareholders Information

* Registered Office & Works : 139, Malanpur Industrial Area,
Distt. Bhind (M.P.)

* Corporate Office : 241, Okhla Industrial Estate,
Phase III, New Delhi - 110020
011-26311601, 011-26328210

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

Share Transfer System

* The Share Transfer Committee meets every fortnight to approve the transfer/ transmission etc. As the shares of the company are in compulsory demat mode after approval an option letter is sent to the transferee giving him/her option to receive the shares either in the physical mode or demat mode, and as per the mode opted by the transferee the shares are transferred.

Dematerialisation of Shares

* Effective from 25th September 2000, shares of the company were admitted to compulsory demat mode vide circular no. 23/2000 dt. 29th 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 31.03.2003)	= 3946980
% to total	= 77.87%

Secretarial Audit

A qualified practicing Chartered Accountant carried out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Listing Fees

The listing fees of Delhi Stock Exchange, Madhya Pradesh Stock Exchange & Mumbai Stock Exchange for the year 2003 - 2004 has already been paid. The company has already completed all formalities to get delisted from Calcutta Stock Exchange.

Annual General Meeting

* The Annual General Meeting of the company will be held on 30th September 2003 at 11:00 AM at 139, Malanpur Industrial Area, Distt. Bhind (M.P.).

Dividend

* In view of inadequacy of profits no dividend is recommended by the Board.