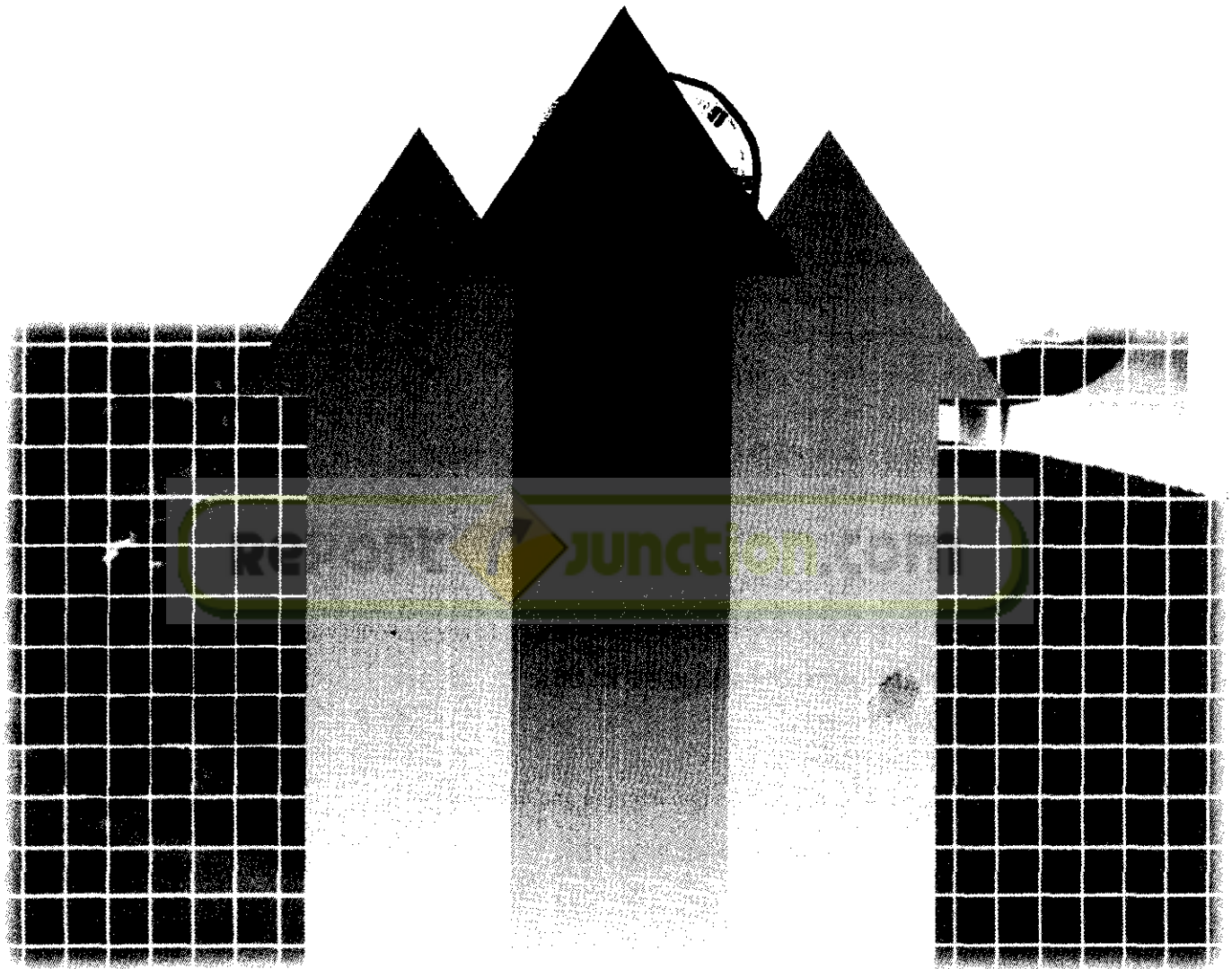


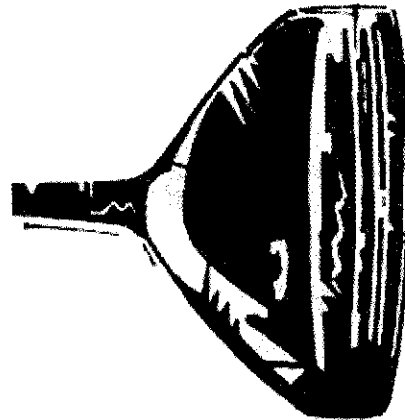
FOURTEENTH ANNUAL REPORT 1999-2000



SAMTEL COLOR LIMITED

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It was the act of choosing one field to excel in that has made 'Samtel Group' a leader in its field.

A Rs. 10 Billion enterprise, Samtel Group is the country's largest integrated picture tube manufacturer. With four companies, each specialising in different aspects of the cathode ray tube industry, it is today a leading name in India in a business it pioneered.

This reputation for excellence extends even beyond Indian shores.

All this is the result of an attitude that permeates through the Group, of various elements working in harmony, to realise a common dream.

SAMTEL GROUP

Our Vision

is to build a responsible mega corporation
-an institution with Business Excellence
impacting Nation Building
and caring for the Environment and Society.
Our culture will be value driven,
self searching and exploring to develop
a mind of our own.



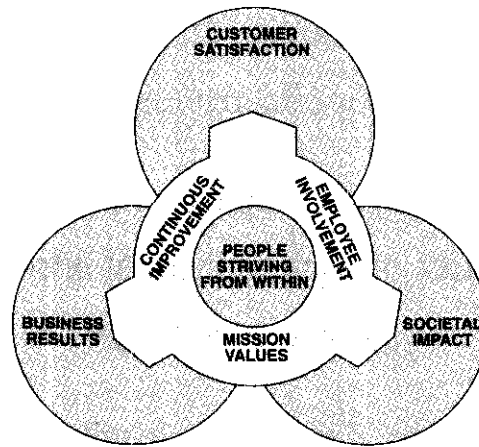
Our Mission

is to be globally the best value provider of
video display and other chosen products,
through leveraging technology and competencies.

We shall achieve it by creating a culture of
self striving with focus on total employee
involvement towards customer satisfaction.

Our approach shall be value based as a responsible
member of the society, contributing
to its growth and development.

SAMTEL QUALITY MOVEMENT



The objective of the Samtel Quality Movement is to create an Environment where People strive from within to achieve Customer Satisfaction (external and internal), and Business Excellence with Social Relevance

SAMTEL Believes.....

- People are prime movers and they drive resources for effective use
 - Individuals have capacity to excel and the synergetic effect of such individual efforts ultimately leads to excellence.
 - Desire to excel depends primarily on individual initiatives and the environment should facilitate such initiatives.
 - Autonomy to people leads to motivation to use their creative abilities to improve their own as well as organisational efficiency.
 - Quality, Productivity, Efficiency, and innovation are keys to excellence and efforts should be made by all to continuously improve this through involvement of people.
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SAMTEL COLOR LIMITED

BOARD OF DIRECTORS	Mr. Satish K. Kaura Mr. Arun Bharatram Mr. N. Vaghul Mr. Subodh Bhargava Mr. V. Narayanan Mr. S.P. Gujnani Mr. Shailendra Swarup Mr. Kamal Kishore Mr. G.K. Mathur	Chairman & Managing Director Director Director Director Director Director Director Director (IFCI Nominee) Director (ICICI Nominee)
COMPANY SECRETARY	Dr. Arun Mohan Bansal	
JOINT AUDITORS	M/s Price Waterhouse Chartered Accountants New Delhi	M/s N. Bahl & Co. Chartered Accountants New Delhi
BANKERS	Punjab National Bank, ECE House, K.G. Marg, New Delhi Canara Bank, Industrial Finance Branch, New Delhi Standard Chartered Bank, Parliament Street, New Delhi The Bank of Tokyo - Mitsubishi Ltd., Parliament Street, New Delhi ANZ Grindlays Bank, H Block, Connaught Circus, New Delhi ICICI Bank Ltd., Connaught Circus, New Delhi	
REGISTERED OFFICE	52, Community Centre New Friends Colony New Delhi - 110065 Phones: (011) 6842791, 6845410 Fax: (011) 6837534	
COLOUR PICTURE TUBE DIVISION	Village Chhappraula Tehsil Dadri Distt. Ghaziabad U.P. Phones: (0120) 4700266-272 Fax: (0120) - 4700172	
COLOUR ELECTRON GUN DIVISION	Samtel Electron Devices (A Division of Samtel Color Ltd.) C-3, Sector-XXII Industrial Area, Meerut Road, Distt. Ghaziabad U.P. Phones: (0120) - 4712352, 4722852 Fax: (0120) - 4712367	
B&W ELECTRON GUN DIVISION	Samtel Electron Devices (A Division of Samtel Color Ltd.) Plot No. 6, Industrial Area Sector - 2, Parwanoo - 173 220 (Himachal Pradesh) Phones: (01792) - 33411, 33684 Fax: (01792) - 33680	
SUBSIDIARY COMPANIES	Paramount Capfin Lease Pvt. Ltd. 52, Community Centre, New Friends Colony New Delhi - 110 065 Blue Bell Trade Links Pvt. Ltd. 52, Community Centre, New Friends Colony, New Delhi - 110 065	
REGISTRARS AND SHARE TRANSFER AGENTS	MCS Limited Sri Venkatesh Bhawan 212-A, Shahpurjat (Behind Panchsheel Club) New Delhi - 110 049 Phones: (011) - 6495704, 6490051 Fax: (011) - 6494152	

CHAIRMAN'S COMMUNIQUE

The Indian Economy has shown signs of recovery during 1999-2000 after cyclical downturn of previous two years. Despite a lower growth of less than 1% in agriculture sector, country's GDP in 1999-2000 still grew at 5.9%. Index of industrial production has grown at a respectable 8% against last year's growth of 3.9% confirming that industrial recovery is on the way. Most critical sectors of the industry like manufacturing, construction and infrastructure have shown buoyancy in growth. Inflation rate during the year dropped to less than 3%. The balance of payment situation was comfortable with increased capital inflows, relatively stable exchange rates and a comfortable foreign exchange reserve of US \$ 38 billion as at 31.3.2000. The service and software export sectors also remained buoyant.

The recovery in industrial sector is duly reflected in upturn in demand of most consumer durables and white goods during the year. The colour television industry continued to remain buoyant, grew at a healthy rate of 36% during 1999-2000 and reached a level of approx. 5.45 million sets. The Colour Picture Tube (CPT) industry during the year also grew in tandem. However, demand of black & white TVs during the year fell by approx. 10%.

The company has continued to drive certain key strategic initiatives during the year to retain its leadership position in the domestic CPT market. Line II capacity has been increased to 1.8 million tubes during the last quarter of the year taking the total plant capacity to 3.1 million tubes. Building up of strategic alliances with key customers has helped it to create better value as supplier of CPTs in the domestic market. Focus on increased productivity and cost reduction has ensured that the company remains as the lowest cost producer in the domestic market.

The impact of these initiatives is partly visible during the year in terms of turnover of the merged company increasing from Rs. 556 crores to Rs. 667 crores and profit after tax jumping from Rs. 2.55 crores to Rs 37.31 crores during 1999-2000. The Company steadily improved its quarterly performance except for the fourth quarter when there was a setback due to strained industrial relations. The situation has now been resolved and new initiatives are being launched based on various learnings from this experience.

Your company continues to pay focused attention to leveraging of technology for competitive advantage and sustained growth. The projects for in-house development of 15" CDT and 29" CPT are progressing satisfactorily. Company has also launched a separate project for indigenous development of plasma display panels - the futuristic flat panels technology. During the year, it has also decided to establish a dedicated Center for Development of Display Technologies at a cost of approx. Rs. 5 crores at IIT Kanpur. This should help prepare the company to emerge as technology leader in emerging display technologies in coming years.

In its quest to emerge as a leading global player in display tubes and components, your company has been continuously bench marking its internal systems and processes and has initiated certain change management initiatives.

The planning process in the business now entails continuous scanning of emerging technologies and business environment and building up of mid term (3 year) rolling strategic plans. These provide mid term direction for the business. From these plans, each division builds up its focused and specific Annual Business Plan (ABP) for the coming year. The ABP is subsequently linked to individual objectives through a monthly Activity Planning & Review (APR) process. The whole process of planning & review is a highly involved one and spreads along all levels in the organisation. It has helped in building tremendous synergy and congruence between organizational and individual objectives.

Clarity of role at various levels in the organisation is of paramount importance in effective management of business. Feeling the need for better clarity of individual roles at various levels, a role clarity exercise is being undertaken across the organisation under which key job deliverables for each role are being identified. This is not only expected to build tremendous synergy in operations by enforcing clarity of expectations from each role, but would also provide a more objective method of evaluating people's performances.

In its pursuit for excellence in products and services, the company has initiated several company wide quality management processes. Its working culture is today dominated by SQM (Samtel Quality Movement). The SQM model talks of creating a quality driven environment where people strive from within to achieve customers satisfaction and business excellence with social relevance. The drive for quality has lead to your Company's products getting stringent safety approvals from Underwriters Laboratories, USA & VDE, Germany for its export efforts. Your company is already an ISO 9002 Company. Towards its commitment of creating a world class quality organisation, the company has launched a six sigma initiative during the year.

Safety, Health and Environment (SHE) aspects are given prime importance in the company. S, H & E programmes are prepared in the beginning of the year and are implemented and continuously monitored. Safe working systems are in place so as to protect company's assets and environment. Safety and Fire prevention is ensured through continuous audit, training and management focus. Environment management plans are prepared to conserve natural resources.

Your Company has always believed that people are its greatest assets and that a motivated workforce is the key to organisational success. It has endeavored to create an open work culture with strong emphasis on experimentation, learning and development of people. A participative style of management with cross functional orientation and congruence between organisational and personal objectives has helped build a vibrant organisation having an environment of creativity and achievements.

Merger of Samtel Electron Devices Ltd. with Samtel Color Limited has been approved by Delhi High Court during the year. As you are aware, the merger had already been approved by Allahabad High Court last year. With merger formalities being over, Board has adopted the accounts of the merged entity for 1999-2000 and the same are being presented to you. As stated earlier, the merger is expected to provide tremendous synergy to the business.

Your board is continuously working towards improving standards of Corporate Governance in its operations. The board has recently been strengthened with the induction of Mr. N. Vaghul, Mr. Subodh Bhargawa and Mr. V. Narayanan. In its efforts to improve transparency with stakeholders, the company has been communicating with them at regular intervals during the year sharing details on industry outlook, strategic initiatives and operating performance. We are also continuously upgrading the quality of our disclosures in the annual report.

I sincerely appreciate your continuing support to the management of the company.

(SATISH K. KAURA)

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of Samtel Color Limited will be held on Thursday the 24th August, 2000, at 11.30 a.m. at Air Force Auditorium, Subroto Park, New Delhi - 110 010 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and the Reports of Directors and Auditors thereon.
2. To confirm the interim dividend, already declared as final dividend.
3. To appoint a Director in place of Mr S.P.Gugnani who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s Price Waterhouse, Chartered Accountants as auditors, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr.Subodh Bhargava who was appointed as an Additional Director with effect from 24th May, 2000 by the Board of Directors and who holds office under section 260 of the Companies Act, 1956 upto Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr.N. Vaghul who was appointed as an Additional Director with effect from 24th May, 2000 by the Board of Directors and who holds office under section 260 of the Companies Act, 1956 upto Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary resolution:

"RESOLVED THAT Mr.Venkateswaran Narayanan who was appointed as an Additional Director with effect from 24th May, 2000 by the Board of Directors and who holds office under section 260 of the Companies Act, 1956 upto Annual General Meeting and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 for mortgaging and/or charging of all the immovable and movable properties of the Company wheresoever situated, present and future and the whole of the undertaking of the Company and/or conferring power to enter upon and take possession of the assets of the Company in certain events to or in favour of the ICICI Ltd. in connection with Loan of Rs. 250 Million lent and advanced/agreed to be lent and advanced to the Company."

"RESOLVED FURTHER THAT the mortgage/charge created/to be created and/or all agreements/documents executed/ to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors be and are hereby confirmed and ratified."