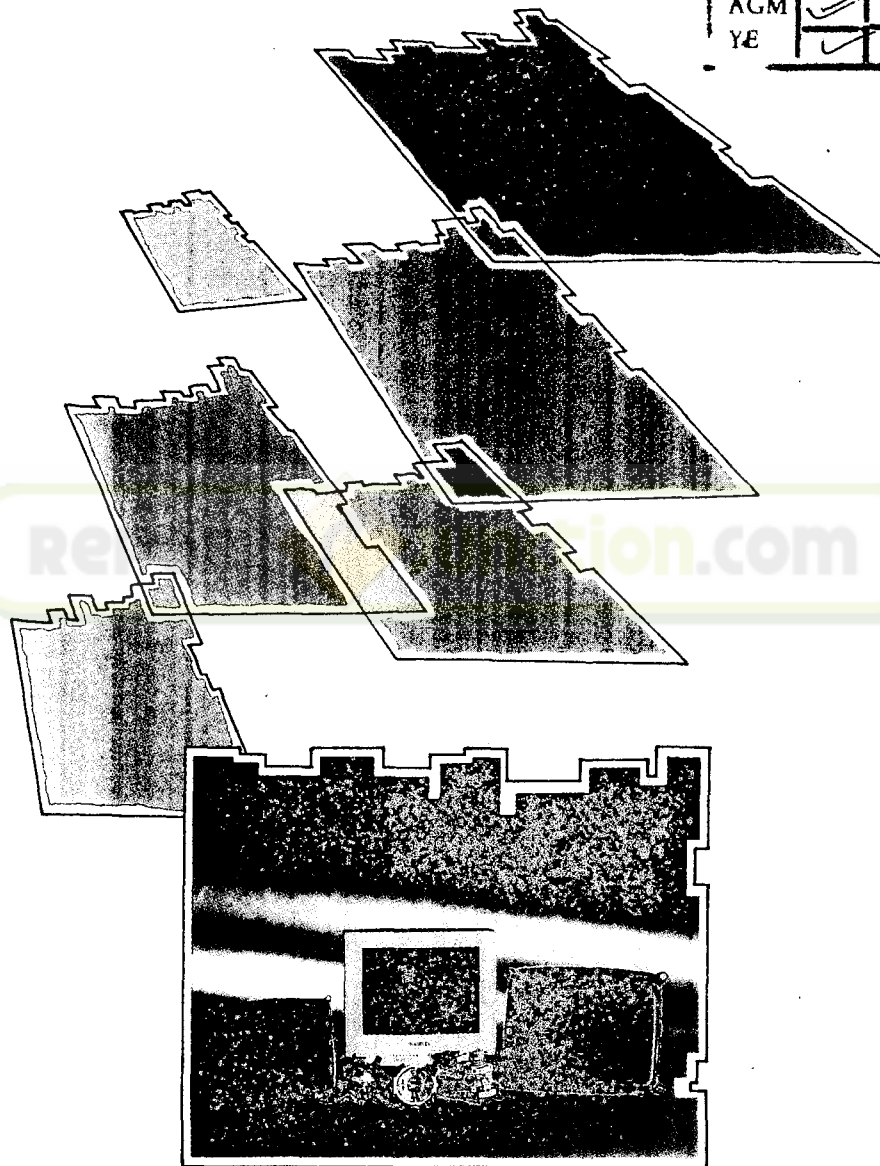


# 15th Annual Report 1996-97

MD	✓		BKC	✓
CS	✓		DPY	ND
RO	✓		DIV	ND
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		✓



**SAMTEL INDIA LIMITED**

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**SAMTEL INDIA LIMITED**

<b>BOARD OF DIRECTORS</b>	O.P. Gupta (Chairman) V.P. Kaura (Managing Director) Satish K. Kaura C.K. Hazari D. Ahuja D.P. Dass Om Wadhwa V.P. Hari R.N. Kundu (IFCI Nominee)		
<b>COMPANY SECRETARY</b>	Sharda Trivedi		
<b>AUDITORS</b>	AF Ferguson Associates Chartered Accountants New Delhi		
<b>BANKERS</b>	Punjab National Bank, New Delhi Standard Chartered Bank, New Delhi SBI Commercial & International Bank Ltd., Bombay		
<b>REGISTERED OFFICE</b>	Plot No. SPA 503, RIICO Industrial Area Bhiwadi-301 019 Distt. Alwar (Rajasthan)		
<b>CORPORATE OFFICE</b>	50-51, Community Centre New Friends Colony, New Delhi-110 065 Ph: 6842971; Fax: 6837534		
<b>WORKS</b>	Plot No. SPA 503, RIICO Industrial Area Bhiwadi-301 019 Distt. Alwar (Rajasthan)	Plot No. 7, Sector 27A Faridabad-121 003 Haryana	Plot No. 6, Sec.2 Industrial Area Parwanoo-173 220 Himachal Pradesh
<b>SALES OFFICES</b>	A-208, Okhla Industrial Area Phase-I, New Delhi-110 020  P-31, C.I.T. Road Scheme-VI-M, Kankurgachi, Calcutta-700 054  117G, Industrial Area, Phase-I, Chandigarh	B-17, Sector 7 NOIDA, Distt. Ghaziabad (U.P.)  203, Balarama Bandra Kurla Complex (Near Drive in Cinema) Bombay-400 051  25/4, Nicholson Road, Tarbund, Secundrabad-500 003	
<b>REGISTRARS AND SHARE TRANSFER AGENTS</b>	MCS Limited Sri Venkatesh Bhawan 212-A, Shahpur Jat New Delhi-110 049 Phone No. 6494830, 6494831 Fax No. 6494152		

**SAMTEL****NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the Shareholders of Samtel India Limited will be held on Friday, the 12th September, 1997 at 11.00 A.M. at Samtel Colony, SPA 501 'A', RIICO Industrial Area, Bhiwadi, Distt. Alwar, Rajasthan 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, 1997 and the Balance Sheet as at that date and the reports of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. O.P. Gupta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Dev Ahuja who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

Registered Office :

Plot No. SPA 503,  
RIICO Industrial Area  
Bhiwadi-301019

Dated : 30th June, 1997

By Order of the Board

**Sharda Trivedi**  
Company Secretary

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll to vote instead of himself and such a proxy need not be a member.
2. Register of Members and Share Transfer Books of the Company will remain closed from 2nd September 1997 to 12th September 1997, both days inclusive.
3. Members are requested to notify promptly any change in their address to the Company's Registered Office or M/s MCS Ltd. Shri Venkatesh Bhawan, 212-A Shahpur Jat, New Delhi 110049.
4. Any queries relating to Accounts must be sent to the Company at least 10 days before the date of the meeting.
5. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.

**SAMTEL INDIA LIMITED**

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6. Pursuant to Section 205 A of the Companies Act, 1956, all unclaimed / unpaid dividends for the financial year ended March 31, 1994 will be deposited with the Central Government on or before 21.11.1997. Please send your unpaid dividend warrants for revalidation to avoid transfer of dividend to Central Government. All such Shareholders shall be informed individually.
  7. Shareholders will continue to be served from the Corporate Office located at 50-51, Community Centre, New Friends Colony, New Delhi - 110065.
  8. No gifts will be distributed at the venue of the meeting.

Registered Office :

Plot No. SPA 503,  
RIICO Industrial Area,  
Bhiwadi-301019

**By Order of the Board**

**Sharda Trivedi**  
Company Secretary

Dated : 30th June, 1997

**SAMTEL****DIRECTORS' REPORT**

To the Members

Your Directors have pleasure in presenting their Fifteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 1997.

**FINANCIAL RESULTS**

(Rs. in lacs)

Particulars	1996-97	1995-96
Sales & Other Income	16167.38	20208.98
Gross Profit (before Interest and Depreciation)	613.92	1751.54
Interest	1087.89	917.44
Depreciation	145.05	124.89
Expenditure and tax relating to previous year	62.20	—
Net Profit/loss	(681.22)	709.21
Profit Brought Forward from previous year	112.30	109.38
Excess provision for proposed dividend written back	0.13	—
Transfer from Investment Allowance Reserve	108.00	—
Transfer from export incentive Reserve	0.25	—
Transfer from General Reserve	460.54	—
Profit available for appropriation	—	818.59

**DIVIDEND**

In view of the loss incurred during the year under review, your Directors are not recommending any dividend.

**OPERATIONS FOR THE YEAR**

Your Company recorded an income of Rs. 16167 lacs for the year under report against Rs. 20209 lacs in 1995-96, registering a fall of 20%. The Company incurred a loss of Rs. 681 lacs against a net profit of Rs. 709 lacs in earlier year.

**PICTURE TUBE DIVISION**

Total sales of this division for the year were lower at Rs. 13348 lacs (Rs. 18714 lacs in the previous year). The domestic tube market and export market registered a decline during the year. This, coupled with severe competition in the domestic tube market resulted in reduction in margins.

Profit margins, both in domestic and export markets, are expected to continue to remain under pressure due to severe competition.

**MULTIMEDIA DIVISION**

Company's Multimedia Division at Faridabad (earlier known as Systems Division) achieved sales of Rs. 2122 lacs during the year against sales of Rs. 613 lacs during the previous year, registering an increase of 246%. However, the prices continuously dropped through out the year resulting in severe pressure on margins. The prices have now stabilised. It launched a high performance mono monitor branded as 'ULTIMA' in the domestic market during the year which was developed in-house. The product has been well received in the market.

**SAMTEL INDIA LIMITED****WIRE WOUND COMPONENT DIVISION**

The Company's new division at Parwanoo for manufacture of wire wound components commenced trial production of deflection yokes during the year. It has started commercial production from the first quarter of 97-98 and is expected to make a good contribution towards sales and profits of the Company.

**EXPORTS**

During the year under review, export sales dropped steeply primarily because of shrinking market demand internationally, particularly in Indonesia, a big buyer of Black and White tubes. The export volumes dropped by about 57% and the total export income was lower by 63% over the previous year.

**FUTURE OUTLOOK**

The Black and White TV industry is estimated to grow at about 5% p.a. during the current year. The picture tube division of the Company has been geared to retain its share in the domestic market during the year. The division has also introduced, for the first time in India, a 14" Full and Flat Black and White TV tube in the domestic market during the first quarter of 97-98 which has been developed in-house. The product has been well received in the market and is expected to generate better contribution. Various cost reduction measures undertaken by the tube division have started yielding good results.

The performance of Multi Media Division is expected to improve due to anticipated high market growth, stabilised prices and wider regional presence planned during this year.

Wire Wound Component Division of the company is planning to increase its capacity from less than 0.5 million to 2 million yokes during the year at a cost of about Rs. 1150 lacs to meet the increasing demand of the product which should contribute towards the earnings and the profits of the company.

**QUALITY**

The Company continued to accord high priority to improvement in quality of all its operations during the year. Focused efforts are continuously being made for further strengthening of Samtel Quality Movement (SQM) in all spheres of its activities.

**SAMTEL COLOR LIMITED**

Samtel Color Ltd. promoted by your Company, commissioned line II for manufacturing of 14" CPTs increasing its capacity from 0.85 million CPTs to 2.35 million CPTs. The results of this expansion shall start flowing in from current year. Sales and net profits during 96-97 were Rs. 29780 lacs and Rs. 891 lacs respectively.

**SAMCOR GLASS LIMITED**

Samcor Glass Ltd. has achieved a turnover of Rs. 10391 lacs against Rs. 14277 lacs last year. Drop in turnover is mainly due to fall in sales of your Company which is one of the major buyers for glass shells.

**FIXED DEPOSIT**

The fixed Deposits from the public and shareholders as on 31st March 1997 stood at Rs. 127.23 lacs. Deposits numbering 52, amounting to Rs. 4.14 lacs remained unclaimed at the end of year out of which 14 deposits amounting to Rs. 1.43 lacs have since been paid during the current year. The company is taking necessary steps for repayment/renewal of balance deposits.



**SAMTEL****DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and Article 85 of the Articles of Association of the Company, Shri O.P. Gupta and Shri Dev Ahuja, Directors, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

**AUDITORS**

M/s. A.F. Ferguson Associates, Chartered Accountants, New Delhi, Auditors of the Company retire and offer themselves for reappointment. The requisite certificate under Section 224 (IB) of the Companies Act, 1956 has been received from them.

Regarding their observation at Point No. 2 (d) of their report regarding non provision of unutilised modvat balance amounting to Rs. 264.30 lacs (Net of modvat refund claim of Rs. 163.58 lacs) outstanding as at March 1, 1997 which lapsed on that date, your directors wish to clarify that the Company has directly and also through its trade association made representations to the relevant Government authorities in this regard which are still pending with them for consideration. The Company expects to receive a favourable decision and hence it has decided not to make any provision for the same in the books.

**PARTICULARS OF EMPLOYEES**

Particulars as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Disclosure of particulars of employees) Amendment Rules, 1994 is annexed to this report.

**ENERGY CONSERVATION, TECHNOLOGY & FOREIGN EXCHANGE**

The particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are given in the annexure to this report.

**LISTING WITH JAIPUR STOCK EXCHANGE**

Equity shares numbering 70,87,943 of Rs. 10/- each bearing distinctive nos. 1 to 70,87,943 and 15% secured redeemable non convertible debentures numbering 20,94,903 of Rs. 13/- each, bearing distinctive nos. 1 to 20,94,903 have been listed and admitted for dealings on Jaipur Stock Exchange w.e.f. 2nd June, 1997.

**STATEMENT UNDER CLAUSE 43 OF LISTING AGREEMENT**

The net Sales and profit after tax projected for the year 1996-97 in the Letter of Offer dated 30th June 1994, were Rs. 14,817 lacs and Rs. 602 lacs respectively. Actual net Sales Income is Rs. 13,505 lacs and loss for the year is Rs. 681 lacs. Projected performance could not be achieved due to decline in domestic and export market, lower margins and higher interest burden.

**ACKNOWLEDGEMENT**

Your Directors acknowledge with gratitude the co-operation and support received from financial institutions, banks and shareholders of the Company and Central and State Government. Your Directors also wish to place on record their sincere appreciation of the services rendered by all employees of the Company and are also thankful to all customers, suppliers and investors for their continued patronage.

By Order of the Board

Place : New Delhi  
Dated : 30th June, 1997

**O.P. Gupta**  
Chairman



## SAMTEL INDIA LIMITED

## ANNEXURE-A TO THE DIRECTORS' REPORT

STATEMENT UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975 ATTACHED TO AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997.

S.No.	Name	Age Years	Qualification	Experience	Designation/ Nature of Duties	Date of Commencement of employment	Remuneration received (Rs.)	Particulars of last Employment
<b>A. EMPLOYED THROUGH OUT THE YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR THE YEAR IN AGGREGATE OF NOT LESS THAN Rs. 3,00,000/-.</b>								
1.	Mr. Kaura V P	80	B.Sc. 5 years apprenticeship with Indian Ord. Factory in Mech. Engg.	55	Managing Director	09.11.89	5,88,131	Managing Director Teletube Electronics Limited.
2.	Mr. Kumar V	52	B. Tech.	28	Vice President	16.05.88	10,07,875	Plant Manager Indian Oxygen Ltd.
3.	Mr. Pandey P W	47	B.E. (Mech.)	24	Dy. Gen. Manager	04.09.86	4,14,646	Dy. Plant Manager Prsysons Pvt. Ltd.
4.	Mr. Aggarwal Surendra	42	B. Tech. (Mech.) PGDM	17	Asst. Gen. Manager	08.03.94	3,95,420	Commercial Controller Altos India Ltd.
5.	Mr. Prasad GVD	46	M. Tech.	19	Gen. Manager Technology	16.11.87	6,86,639	Chief Manager (Tech) Fenovision Ltd.
6.	Mr. Nandi B	51	B.E. (Elec.)	27	Asst. Gen. Manager	17.06.85	3,74,191	Senior Electrical Engg. Orient Abrarives Ltd. Alwar.
7.	Mr. Tandon Sandeep	46	Graduate (IMA)	24	Dy. Gen. Manager	18.03.85	5,13,095	Sr. Executive, Morani Chemicals (P) Ltd.
8.	Mr. Prasad S R	43	B.Tech.	20	Dy. Gen. Manager	15.02.94	5,42,115	Factory Manager, Calcom Electronics Ltd.
9.	Mr. Chaudhary Tarun B	48	B.A., MBA Diploma in Marketing	26	Dy. Gen. Manager	01.12.94	5,02,178	General Manager (Com.) J.K. Pharmachem. Ltd.
10.	Mr. Mukesh Gupta	45	BE (Mech.), ME (Prod.) DBM	20	Dy. Gen. Manager	14.04.95	4,76,916	Dy. General Manager ET&T Corp. Ltd.
11.	Mr. Anand S P	39	B.Sc. Post Graduate Diploma in Mktg. & Sales	19	Divisional Manager	20.04.87	3,49,047	Sr. Sales Officer, Shriram Honda Power Equipment Ltd.
12.	Mr. Chatterjee Alok	46	BE (Mech.)	23	Asst. Gen. Manager	01.01.90	3,83,466	Engg. Telco Jamshedpur
13.	Mr. Radhakrishna A	41	B.E. (E&C)	15	Divisional Manager	01.07.93	3,35,969	Manager (R&D) TVS Elect. Ltd.
14.	Mr. Dutt Anil	35	M.Sc. DMM	13	Manager	27.05.88	3,03,952	Sr. Sales Officer, Upton India Ltd.
<b>B. EMPLOYED FOR PART OF THE YEAR UNDER REVIEW AND WHO WERE IN RECEIPT OF REMUNERATION FOR ANY PART OF THE FINANCIAL YEAR AT THE RATE IN WHICH AGGREGATE WAS NOT LESS THAN Rs. 25,000/- PER MONTH.</b>								
1.	Mr. Wazir R S	49	B. Tech. (Chemicals)	25	General Manager	21.12.88	6,46,800	Essem Coated Steel (J&K) Ltd.
2.	Mr. Kohli V K	47	B A Commerce (CA)	22	Dy. General Manager	25.10.91	3,41,892	Vice President, Finance & Accounts Indag Rubber Ltd.
3.	Mr. Bharara Deepak	36	LLB, PGDPM	11	Divisional Manager	01.11.94	1,63,183	Senior Manager Employee Relations Jagatjit Industries Ltd., New Delhi.
4.	Mr. Sharma M K	40	LLB, LLM, PGD	12	Dy. Manager	19.10.87	3,10,114	Asst. Manager Personnel, Auto Pins (India) Pvt. Ltd.
5.	Mr. Aggarwal SC	55	B.Com, C.A.-Inter	23	Dy. Manager	16.08.85	6,44,513	Accounts Officer, Oswal Steels, Faridabad
6.	Mrs. Wadhwa Indu	41	B.Sc. Dip. In Public Relations	14	Dy. Manager	01.03.94	1,12,821	Personnel Officer, Shriram Pistons New Delhi.
7.	Mr. Ramani V	39	B.Com.	16	Dy. Manager	19.04.86	2,59,663	Asst. Officer, Shriram Food & Fertilizer Industries, New Delhi.
8.	Mr. Sabharwal J S	44	B.Sc.	10	Dy. Manager	19.04.86	3,41,066	Clerk Gr. I, Shriram, Food & Fertilizer Industries, New Delhi.
9.	Mr. Murthy D R	44	M.Com.	20	Asst. Manager	06.04.84	1,14,955	Accounts Asstt. Coromandel Leather (p) Ltd.

**Notes :** 1. The nature of appointment is not contractual in all appointments except in case of Managing Director whose appointment is as per Central Government approvals.

2. None of the above employee except Mr. V.P. Kaura, is a relative of any Director of the Company.

3. All employees are governed by the Service Rules of the Company.

4. Remuneration received includes Salary, Allowances, Payment in respect of unfurnished accommodation, Company's contribution to Provident Fund and Superannuation Fund, Personal Accident insurance Premium, Medical Reimbursement and LT Concession.