

29th
Annual Report
2010-11



SAMTEL INDIA LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS : Mr. Satish K. Kaura (Chairman & Managing Director)
Mr. C.K. Hazari
Mr. Om Wadhwa

COMPANY SECRETARY : Mr. Vinit Kumar

AUDITORS : S.S. Kothari Mehta & Co.
Chartered Accountants,
146-149, Tribhuwan Complex, Ishwar Nagar,
New Delhi

BANKERS : ICICI Bank Ltd.
Punjab National Bank

REGISTERED OFFICE : Village Naya Nohra
Kota Baran Road
Tehsil- Ladpura
Distt.- Kota (Rajasthan) - 324 001

CORPORATE OFFICE : 6th Floor, 7, TDI Centre
District Centre, Jasola
New Delhi - 110 025
Phone No. 011-42424000
Fax No. 011-42424099

WORKS : Village Naya Nohra
Kota Baran Road
Tehsil- Ladpura
Distt.- Kota (Rajasthan) - 324 001

REGISTRAR & SHARE TRANSFER AGENT : MCS Limited
F-65, 1st Floor, Okhla Industrial Area,
Phase I, New Delhi - 110 020
Ph. : 011-41406149

NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of the members of Samtel India Limited will be held on Friday, the 30th day of September, 2011 at 11.00 A.M. at the Registered Office of the Company at Village Naya Nohra, Kota Baran Road, Tehsil- Ladpura, Distt- Kota, Rajasthan-324001, to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date together with Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Om Wadhwa, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. M/s S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Registered Office :
Village Naya Nohra,
Kota Baran Road, Tehsil- Ladpura,
Dist.-Kota, Rajasthan,

By Order of the Board
For **Samtel India Limited**

Sd/-
Vinit Kumar

Company Secretary

Place : New Delhi
Date : 10th August 2011

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting. Shareholders are requested to kindly bring their copies of Annual Report to the meeting.
3. Register of Members and Share Transfer Books of the Company will remain closed from **22nd September 2011 to 30th September 2011 (both days inclusive)**.
4. Members are requested to notify promptly any change in their addresses to the Company's Registered Office or Corporate Office or to the Share Transfer Agent M/s MCS Ltd., F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020. Members who hold share in demat form are requested to update their particulars with their respective depository participant.

5. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. Om Wadhwa, Director retire by rotation and being eligible, offer himself for re-appointment. The information/details to be provided for the aforesaid Director in terms of clause 49 (IV) (G) of the Listing Agreement, are as under:

Mr. Om Wadhwa aged 81 years, has been one of the Director of the Company since 1987. He is a renowned industrialist having his own business of manufacturing and export of electronic components. He has done his MBA from a USA. He is also Director of J.V. Electronics (P) Limited, Olympia Electronics (P) Ltd., Metores Corporation (P) Ltd. & Olympia Service Centre (I) Pvt. Limited. He is also the Chairman of the Audit Committee of your Company.

6. Any queries relating to Accounts must be sent to the Company at its Registered Office at least 10 days before the date of the meeting.
7. **The Ministry of Corporate Affairs has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by the companies and has issued circulars stating that services of notice/ documents including Annual Report can be sent by e-mail to the Members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address so far are requested to register their e-mail address in respect of electronic holdings with the depository through their concerned depository participant. Members who hold shares in physical form are requested to visit the website of the Company i.e. www.samtelgroup.com and register their e-mail address.**

Registered Office :

Village Naya Nohra,
Kota Baran Road, Tehsil- Ladpura,
Dist. Kota, Rajasthan,

By Order of the Board
For **Samtel India Limited**

Sd/-

Vinit Kumar

Company Secretary

Place : New Delhi

Date : 10th August 2011

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

PERFORMANCE REVIEW AND OUTLOOK

The year under review has been a difficult year for the Company. With declining demand and margins for color picture tubes, the Company could not carry out any trading business of color picture tubes.

The Company ended the financial year ended 31st March, 2011 with a gross turnover of Rs.122.10 lacs as against Rs.93.97 lacs of the previous financial year. The Company incurred a net loss after tax of Rs. 0.27 lacs during the year under review as against profit of Rs. 4.99 lacs during the previous financial year.

The Company is exploring various business opportunities including the business of outsourcing various services. In this regard necessary steps have already been initiated to carry out the business of manpower consultancy/supplies.

With increasing trade & commerce and reliance on outsourcing of services by various industries to minimize the cost, the business of providing various services has strong potential in the future.

BALANCE SHEET ANALYSIS

a) Loans: Unsecured

Inter Corporate Deposit of Rs. 170 lacs was outstanding as on 31st March 2011 (Previous Year Rs. 170 lacs).

b) Fixed Assets:

The net fixed assets at the end of the financial year were Rs. 5.77 lacs as against Rs. 6.05 lacs as on 31st March, 2010.

c) Current Assets:

The total current assets decreased to Rs. 48.93 lacs as on 31st March, 2011 from Rs. 54.30 lacs as on 31st March, 2010. Cash and Bank Balances decreased to Rs. 29.29 lacs from Rs.109.63 lacs. Loans and advances got increased to Rs. 46 lacs this year from Rs.43.33 lacs at the end of the previous year.

d) Current Liabilities:

Current Liabilities have decreased to Rs. 47.63 lacs as on 31st March, 2011 from Rs. 50.72 lacs as on 31st March, 2010.

INTERNAL CONTROL SYSTEMS & ITS ADEQUACY:

The Company has in place adequate internal audit and control systems. The Company has an independent audit committee which exercises requisite powers and control as envisaged in Clause 49 of the Listing Agreement.

For more information on the functions and role of the audit committee for ensuring better and adequate internal control, please refer to the chapter on Corporate Governance in Annual Report.

OPPORTUNITIES & THREATS:

The new business venture of the Company of manpower supply and consultancy was expected to take off during the financial year under review. However, due to unavoidable constraints, the same could not be started. The new business requires quite low investments and has reasonably good margins and is expected to bring in adequate revenue and financial viability to the Company.

Though the business of supply of manpower is quite lucrative but its success depends mainly on the availability of both skilled and unskilled workers and requirements of the companies. Higher gap between demand and supply may negatively impact the business and margins. Further, since it's a new area of operations and there are already established players in the field, the Company may face tough competitions and challenges.

As part of long term strategy and business plan, the Company has invested in the shares of Samtel Color Limited and Samtel Glass Limited.

Samtel Color Limited (SCL) is primarily engaged in the business of manufacturing of color picture tubes (CPT) and Samtel Glass Limited (SGL) provides glass components to SCL required for Picture Tubes. Thus, the performance of SGL to a large extent depends on the performance of SCL.

During the financial year ended 31st March, 2011, due to fall in demand and increase dependence on imported picture tubes, the performance of SCL has been impacted adversely. SCL closed the financial year 2010-11 with net loss of 83.93 crores as against profit of Rs. 1.90 crores in the previous financial year.

Though the market for CPTs is on a decline world-wide, in India it is expected to remain stable at around 13 to 14 million tubes per annum.

CAUTIONARY STATEMENT:

Statement in this 'Management Discussion and Analysis Report' describing the Company's objectives and expectations may be considered as 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. The Company undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

REPORT ON CORPORATE GOVERNANCE

(Clause 49 of the Listing Agreement)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Samtel India Limited is highly committed to upholding corporate governance values and has been practicing the principles of good corporate governance over the years. Samtel is an organisation that strives for excellence with the objective of enhancing shareholder value. In achieving this overriding objective, it has always endeavored to be a transparent and an accountable corporate citizen. Samtel India Limited is led by a strong and highly independent Board, which provides it strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs to create long-term shareholder value.

I. BOARD OF DIRECTORS

Composition of the Board

The Board of Directors of the Company comprises of three Directors, out of which two Directors are non executive and independent. The Non Executive Directors are proficient in their own fields and bring with them decades of experience in the areas of finance, technology, legal and general management.

Mr. Satish K. Kaura, Promoter, Chairman & Managing Director, is the only Executive Director of the Company.

The composition of the Board is in conformity to the requirements of Clause 49 of the Listing Agreement.

Number of Board Meetings

During the Financial Year 2010-11, the Board of Directors of the Company met five times on April 8, 2010, May 29, 2010, July 30, 2010, November 10, 2010 and February 5, 2011. The maximum time gap between any two meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP (AS ON MARCH 31, 2011)

Name of the Director	Category/Status of Directorship	No. of Board meetings held during 2010-11 (Twelve months)	No. of Board meetings attended during 2010-11 (Twelve months)	Attendance in last AGM held on 30th Sept 2010	No. of Directorship in other Public Limited Companies	No. of Committee positions held	
						Chairman	Member
Mr. Satish K. Kaura	Executive Promoter Director	5	5	No	6	-	4
Mr. C. K. Hazari	Independent Director	5	5	No	2	1	3
Mr. Om Wadhwa	Independent Director	5	5	Yes	-	1	-

As mandated by Clause 49 of the Listing Agreement, all the Independent Directors on the Company's Board are non-executive and:

- Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the Company, its promoters, its Directors, its senior management or and associates which may affect independence of the Director
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board
- Have not been an executive of the Company in the immediately preceding three financial years
- Are not partners or executives or were not partners or executives during the preceding three years of the:
 - Statutory Audit Firm or Internal Audit Firm that is associated with the Company
 - Legal Firm(s) and Consulting Firm(s) that have a material association with the Company
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director

- Are not substantial shareholders of the Company i.e. do not own two percent or more of the block of voting shares.
- Have furnished annual disclosure that they satisfy the conditions of their being independent as laid down under Clause 49 of the Listing Agreement.

Information supplied to the Board

The Board is presented with the agenda for each Board Meeting along with explanatory notes which includes inter-alia, the information as required under Clause 49 of the Listing Agreement well in advance of the Board meeting. All Board members are free to suggest any item they consider important to the agenda. The Board has unfettered and complete access to all information within the Company.

The Company has established procedures to enable its Board to periodically review compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

Remuneration of Directors

The Company is not paying any remuneration to any of the Directors, except sitting fees for attending Board/Committee meetings to the non-executive Directors. The Company does not pay remuneration to its Chairman and Managing Director since he has been appointed as Managing Director without payment of any remuneration.

REMUNERATION PAID OR PAYABLE TO DIRECTORS FOR 2010-11 (in Rs.)

Name of the Director	Category / Status of Directorship	Sitting fees and perquisites	Salaries, allowances	Commission	Total
Mr. Satish K. Kaura	Executive Promoter Director	0	0	0	0
Mr. C. K. Hazari	Independent Director	9000	0	0	9000
Mr. Om Wadhwa	Independent Director	9000	0	0	9000

Pecuniary relationship or transaction between non-executive Directors and Company

The Company does not have any pecuniary relationship with any of the non-executive Directors and also has not entered into any transactions with non-executive Directors.

None of the non-executive independent Directors are holding any equity shares/convertible instruments in the Company.

BOARD LEVEL COMMITTEES

The Company has constituted two Committees of Directors, namely, Audit Committee and Share Transfer & Investors' Grievance Committee to deal with matters which need urgent decisions and to monitor activities falling within their terms of reference. Each of these Committees has their respective charters approved by the Board. The minutes of the Meetings are recorded and placed before the Board for its information.

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Directors, out of which two are independent Directors. Mr. Om Wadhwa, independent Director is the Chairman of the Committee. Other two members are Mr. C.K.Hazari and Mr. Satish K. Kaura. The Chairman was present in the last Annual General Meeting held on 30th September, 2010.

During the Financial Year under review the Audit Committee met four times i.e on May 29, 2010, July 30, 2010, November 10, 2010 and February 5, 2011.

The attendance of members at the meetings is as follows

Name of the Directors	No. of Meetings held	No. of Meetings attended
Mr. Om Wadhwa	4	4
Mr. C. K. Hazari	4	4
Mr. Satish K. Kaura	4	4

The Company Secretary , Mr. Vinit Kumar acts as the Secretary to the Committee.

THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee as stipulated by the Board and detailed below are in accordance with the requirements of Section 292A of the Companies Act, 1956, and Clause 49 of the Listing Agreement, which includes amongst others, the following:

ROLE OF AUDIT COMMITTEE

- Oversight the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of statutory and internal auditors (wherever required), fixation of audit fee and also approval for payment for any other services.
- Reviewing with the Management the quarterly/half yearly and the annual financial statements before submission to the Board, focusing primarily on:
 - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Section 217(2AA) of the Companies Act, 1956.
 - (b) Any changes in accounting policies and practices
 - (c) Major accounting entries based on exercise of judgement by Management.
 - (d) The going concern assumption.
 - (e) Compliance with applicable Accounting Standards
 - (f) Compliance with Listing Agreement and other Legal requirements concerning financial statements.
 - (g) Disclosure of any related party transactions.
 - (h) Qualification, if any, in the draft Auditors' Report.
- Reviewing with the Management, Statutory and internal auditors, the adequacy and compliance of internal control systems.
- Reviewing the adequacy of internal audit function, reporting structure coverage and frequency of internal audit.
- Discussions with Internal Auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the matters, where there is suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussions with Statutory Auditors before the Audit commences, about the nature and scope of the audit as well as post audit discussions to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the lenders, shareholders (in case of non payment of declared dividend) and other creditors.
- To review the effectiveness of the system in monitoring compliance with laws and regulations.
- To review the findings on compliance of any examination by regulatory agencies and / or audit observation.
- Carrying out any other functions as mentioned in the terms of reference of the Audit Committee or as may be assigned by the Board from time to time.

POWER OF AUDIT COMMITTEE

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company is controlled by SAMTEL GROUP (Promoter/Promoter Group) being a group as defined under the Monopolies and Restrictive Trade Practices Act, 1969. The Promoters/Promoter Group consists of various individuals and corporate bodies who are in position to and who jointly exercise control over the Company.

A List of these individuals and corporate entities is as follows:

Mr. Satish K. Kaura	M/s Samtel Color Ltd.	M/s Dolsun Containers Pvt. Ltd.
Mrs. Alka Kaura	M/s Teletube Electronics Ltd.	M/s Paramount CAPfin Lease Pvt. Ltd.
Mr. V.P. Kaura	M/s Samtel Display Systems Limited (Formerly Known as M/s Roxy Investments Pvt. Ltd.)	
Mrs. Kailash Kaura	M/s Lenient Consultants Pvt. Ltd.	
Mrs. Sudhir Kumar Kaura	M/s Tish Consultants Pvt. Ltd.	
Mrs. Rashmi Kaura	M/s SW Consultants Pvt. Ltd.	
Mrs. Puneet Kaura	M/s CEA Consultants Pvt. Ltd.	
Mrs. Dolly Sethi	M/s Kaura Investments Pvt. Ltd.	

SHARE TRANSFER & INVESTORS' GRIEVANCE COMMITTEE

The Share Transfer & Investors' Grievance Committee approves and monitors transfers, transmission, splitting and consolidation of shares issued by the Company. This Committee also monitors complaints of shareholders relating to transfer of shares, non receipt of Annual Report etc. The Share transfer Committee comprises of Mr. C.K.Hazari, a non executive director as Chairman and Mr. Satish K. Kaura, Chairman & Managing Director of the Company as member.

The Board has designated Mr. Vinit Kumar, Company Secretary as Compliance Officer of the Company.

Details of complaints received and resolved during the financial year 2010-11 are as under:

Nature of Complaints	2010-11			
	Opening	Received	Settled	Pending
Relating to Transfers, Transmission, Demat / Remat	Nil	0	0	Nil

No. of pending transfers/complaints etc. as on March 31, 2011 : Nil

RISK MANAGEMENT

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive controls risk through a properly defined framework.

II MANAGEMENT

MANAGEMENT DISCUSSION & ANALYSIS REPORT

A Management Discussion and Analysis Report forms part of the Annual report and includes discussions on various matters specified under Clause 49 (IV)(F) of the Listing Agreement.

DISCLOSURES

a) Related Party Transactions

Related Party transactions in terms of Accounting Standard 18 are set out in Schedule 11 "Notes to the Accounts". These transactions are not likely to have a conflict with the interest of the Company. Due adherence to the requirements of law is ensured in respect of related party transactions, as applicable.