

ABOUT SAMTEL COLOR LIMITED & ITS JOURNEY.

Samtel Color Limited started its operation in 1987 with one manufacturing line to produce 0.5 Million, 21” full square tubes.

Subsequently, the Company added four (4) more manufacturing lines at its facilities at Gautam Budh Nagar (Uttar Pradesh) and Kota (Rajasthan). The installed production capacity of all the 5 manufacturing lines put together were approximately 11.00 million tubes per annum.

In addition to the picture tube manufacturing facilities, the Company had in-house facility for manufacturing electron guns and deflection yoke, major components for manufacturing of color picture tubes.

In 2004-05, the Company logged a turnover of Rs. 1,032 Crores and the profit before tax (PBT) was Rs. 86 Crores.

However, while the Company was setting up two new lines in India, the demand for Color CRT TV had started shifting over to FPD TVs (i.e. LCD and Plasma Display Panels) in the developed economics resulting in excess production and supply of picture tubes globally.

It was however expected that as color picture tubes in developed world shifts to flat panel displays (FPD), more and more production of CRTs will shift to low cost locations like India. However, unlike the earlier transition from B& W to Color CRT, which was slow & gradual, this shift happened at a very rapid pace.

This resulted in a huge global glut and the Indian market witnessed large scale and incessant dumping of color picture tubes in India by suppliers based in Asia. This resulted in severe price erosion and a surge in imports. Despite, its best efforts, the sales volume/vale and profitability kept on tumbling year on year and the networth of the Company turned negative as on 31.03.2012. Due to the resultant crisis in cash, all the CPT manufacturing facilities in Samtel Color Limited had to be shut down in steps by November, 2012.

At present, all the manufacturing units of the Company are still on shutdown mode and the secured lenders have taken over possession of the mortgaged assets of the Company.

The Management is exploring various alternatives in consultation with the Secured Lenders and other stakeholders to revive the manufacturing/business activities of the Company albeit on a low scale.

