

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Samtel Color Limited will be held on Monday, the 30th day of September, 2013 at 3:30 P.M. at Benquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi 110025., to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2013, 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. S P Gugnani 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.

SPECIAL RESOLUTION

4. To pass with or without modification the following resolution as a Special Resolution.
"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 316 read with Schedule XIII and other applicable provisions of the Companies Act, 1956 (including any Statutory modification(s) or re-enactment thereof, for the time being in force) and such other approvals/sanctions as may be necessary, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Satish Kumar Kaura as Managing Director designated as "Chairman & Managing Director" of the Company for a period of 5 years effective from 10th February, 2013 to 9th February, 2018, without any remuneration."
"RESOLVED FURTHER THAT Mr. Satish K.Kaura will not be liable to retire by rotation in the General Meeting of the Company."
"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take all necessary steps as may be necessary, proper and expedient to give effect to this Resolution and to settle any query/question or difficulty in connection therewith or incidental thereto."
5. To pass with or without modification the following resolution as a Special Resolution.
"RESOLVED THAT Mr. Ajit Singh, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 11.02.2013 and who holds office upto the date of this Annual General Meeting in terms of the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice u/s 257 of the Companies Act, 1956 proposing his candidature for the office of Director of the Company, liable to retire by rotation, be and is hereby appointed as a Director of the Company."

Registered Office:
501, 5th Floor,
Copia Corporate Suits
9, District Centre, Jasola,
New Delhi 110 025
Dated: 14th August, 2013

By Order of the Board
for Samtel Color Limited

sd/-
Prabhat Kumar Nanda
Company Secretary

NOTES :

1. 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. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Sundays and holidays between 11.00 AM and 1.00 PM upto the date of the Annual General Meeting.
4. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item No. 4 & 5 is annexed and forms part of this Notice.
5. Register of Members and Share Transfer Books of the Company will remain closed from **26th September 2013 to 30th September 2013(both days inclusive)**.
6. Members are requested to notify promptly any change in their addresses, bank particulars, ECS mandate etc. quoting their folio number to the Company' at its 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.
7. Appointment / Re-appointment of Directors:

At the ensuing Annual General Meeting Mr. S P Gugnai, retire by rotation and being eligible, offer himself for re-appointment . Further, Mr. Satish K. Kaura has been re-appointed as Chairman & Managing Director of the Company for a further period of 5 years w.e.f. 10.02.2013 & Mr. Ajit Singh has been appointed as an Additional Director of the Company w.e.f. 11.02.2013.

The information/details to be provided for the aforesaid Directors in terms of clause 49 (IV) (G) of the Listing Agreement, are as under:

Mr. Satish K. Kaura

Mr. Satish K. Kaura, aged about 69 years, has done his Bachelor of Engineering from IIT Kanpur and have done his Masters in Electronics from Carleton University, Canada.

After obtaining valuable work experience in North America, Mr. Kaura returned to India and set up the Samtel Group.

He is the Chief Promoter and Architect of the Company, who had set up the business himself being the first generation entrepreneur and has been looking after the affairs of the Company since inception and also chiefly responsible for all major business policy decision of the Company.

He is on the Board of the following public limited companies as well:-

| | |
|------------------------------------|--------------------------------|
| Samtel Color Limited | Samtel Glass Limited |
| Samtel HAL Display Systems Limited | Samtel Thales Avionics Limited |

Details of Chairmanship/Membership of Committees are as follows:

| | | |
|----------------------|-----------------|-------------------|
| Samtel Color Limited | Shareholders' & | Investors' Member |
|----------------------|-----------------|-------------------|

| | | |
|----------------------|--|--------|
| | Grievance Committee | |
| Samtel Glass Limited | Audit Committee | Member |
| Samtel India Limited | Audit Committee | Member |
| Samtel India Limited | Shareholders' & Investors' Grievance Committee | Member |

Mr. S P Gugnani

Mr. S P.Gugnani, aged about 82 years, possesses high degree of accounting and financial management expertise and is on the Board of the Company since 16th March 1988.

Mr. Ajit Singh

Mr. Ajit Singh, aged about 55 years, professional and degree of accounting and financial management expertise and is on the Board of the Company since 11th February, 2013.

8. 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.
9. **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.**
10. Pursuant to the provision of Section 205A of the Companies Act, 1956, as amended, dividend for the financial year, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. The company has not declared any dividend for the year ended 31st March, 2006 and thereafter till date. The entire unpaid dividend has already transferred to the Investor Education and Protection Fund of the Central Government.
11. As the shareholders are aware, the Company's equity shares are compulsorily traded and settled only in dematerialised form. MCS Ltd., New Delhi has been appointed as the Common Agency for the Transfer of Shares and Demat purposes.
12. Members holding shares in the demat form are requested to immediately notify any change in their address / ECS mandate / bank particulars etc. to their Depository participant.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956.

The following explanatory statements sets out all the material facts, relevant to the items of special business contained in the Notice.

ITEM NO.4

Mr. Satish K.Kaura was re-appointed as the Chairman & Managing Director of the Company for a period of 5 yers. w.e.f. 09.11.2007 pursuant to provisions of Sections 269, 316 read with Schedule XIII of the Companies Act, 1956.

The tenure of Mr. Satish K.Kaura ended on 09.02.2013. The Board of Directors at their meeting held on 15th February, 2013 has approved the re-appointment of Mr. Satish K.Kaura as Chairman & Managing Director for a further period of 5 years with effect from 10th February, 2013. Mr.Kaura will not be entitled to receive any Remuneration and also will not be liable to retire by Rotation in the Annual General Meeting of the Company.

Mr. Satish K. Kaura, aged about 69 years, has done his Bachelor of Engineering from IIT Kanpur and has done his Masters in Electronics from Carleton University, Canada.

After obtaining valuable work experience in North America, Mr. Kaura returned to India and set up the Samtel Group.

He is the Chief Promoter and Architect of the Company, who had set up the business himself being the first generation entrepreneur and has been looking after the affairs of the Company since inception and also chiefly responsible for all major business policy decision of the Company

Besides his business interest, Mr. Kaura is active in other fields as well. He has been President of Electronics Components Industries Association and Chairman of Confederation of Indian Industry (Northern Region). He was given the distinguished Alumni Award by IIT, Kanpur in 1989. ELCINA honoured him with the Electronics Man of the Year in 1988 and CETMA conferred on him Man of Electronics Award for 1996. He has also been recognized and honoured by various organizations in different walks of life. He is also involved with managing schools and free health services in villages.

Recognizing his contribution and distinguished services in the field of Science and Technology, the Government of India conferred the prestigious PADMA SHRI Award in 2005.

The above may be treated as an abstract the terms of re-appointment in compliance of Section 302 of the Companies Act, 1956.

The Board recommends the Resolution for the approval of the members.

None of the Director of the Company except Mr. Satish K.Kaura is interested in the Resolution.

ITEM NO.5

Mr. Ajit Singh is a professional consultants. He is also Directors in other Group companies i.e. M/s Samtel India Ltd. (2) M/s Samtel Glass Ltd.

The Company has received a notice u/s 257 of the Companies Act, 1956 from a member of the Company proposing the candidature of Mr.Purusottam Dass for the office of Director of the Company, liable to retire by rotation,

The Board recommends the Resolution for the approval of the members.

None of the Director of the Company except Mr. Ajit Singh is interested in the Resolution.

Registered Office:

501, 5th Floor,
Copia Corporate Suits
9, District Centre, Jasola,
New Delhi 110 025
Dated: 14th August, 2013

By Order of the Board

for Samtel Color Limited

Sd/-

Prabhat Kumar Nanda
Company Secretary

Directors' Report

To the Members

Samtel Color Limited

Dear Shareholders,

Your Directors have pleasure in presenting this 27th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2013.

Financial Results

The key financial highlights of the Company for the year ended 31st March 2013 are as under: -

(Rs in Crores)

| Particulars | Year ended 31-03-2013 | Year ended 31-03-2012 |
|---|--------------------------|--------------------------|
| Gross Turnover | 75.15 | 408.14 |
| Gross Profit before Interest, Depreciation & Taxation | (42.89) | (76.22) |
| Interest (Net) | 58.59 | 49.16 |
| Profit before Depreciation & Taxation | (101.48) | (125.38) |
| Depreciation/Misc. Expenses written off | 70.25 | 73.30 |
| Exceptional Items/Extraordinary Expenses/provisions: | | |
| - Impairment Loss against certain Plant and Machinery | 283.87 | 43.79 |
| Tax | - | - |
| Net Profit (Loss) for the year | (455.60) | (242.47) |
| Transfer from General Reserve | - | - |
| Profit/(Loss) carried forward to Balance Sheet | (726.48) | (270.88) |

Operations

During the financial year under review the operations and activities of the Company was severally affected due to working capital constraint and falling market for color picture tube based television sets across the Globe. The efforts of the Management to revive the Company and its manufacturing activities by collaborating with other players in the Industry also did not yield any positive results.

Due to the above, the Management was constrained to close the manufacturing activities in all its five production lines in a phased manner.

Despite the constraints and difficulties the Company believes that there is adequate/sufficient demand for color picture tube based televisions primarily in South East Asia and Latin American countries. The manufacturing activities of the Company can be revived albeit on a lower scale provided requisite working capital is infused to the system. The Management is

working on various options to help the Company turnaround by resuming its manufacturing activities.

The sales volume of the Company declined from 2.91 million numbers to 0.05 million during the year under review. The sales in terms of value declined by 82 % from Rs. 408.14 crores in 2011-12 to Rs. 75.15 crores in 2012-13.

Erosion Of Net-Worth- Reference to BIFR

As reported in the last Directors' Report on account of losses incurred during the year 2011-12 and carry forward losses of past years, the net-worth of the company had got eroded at the end of the Financial Year – March, 2012. Accordingly, the Company made a reference to the Board for Industrial and Financial Reconstruction (BIFR) as required under the provisions of Sick Industrial Companies(Special Provisions) Act for determination whether the company is a sick industrial company or not. The Company at present is registered with BIFR.

In case an order declaring the company as Sick Industrial Company is passed, BIFR will appoint an operating agency to examine and recommend the measures for the revival of the company. The Management of the company will take all possible steps for the revival of the company under the aegis of BIFR.

Outlook

At present despite the advent of panel based televisions and their growing demand, there is demand for color picture tube based television in India and other South East Asian Countries.

Most of the manufactures of color picture tubes across the Globe have closed down their operations impacting the availability of cheap color picture tubes. Further, the non parity of US Dollar and Indian Rupee is making the import more expensive.

The Management believes with infusion of adequate working capital the Company can revive its operations to the ultimate benefit of all stake holders.

Your Company's strategy and operations are discussed in detail in the section titled "Management Discussion & Analysis".

Dividend

In view of loss the Directors do not recommend any dividend on the Preference and Equity Shares of the Company for the financial year ended 31st March 2013.

Directors

In terms of Section 260 of the Companies Act, 1956 and Articles of Association of the Company the Board of Directors in their meeting held on 15th February, 2013 have appointed Mr. Ajit Singh as an additional Director. He holds the office upto the date of ensuing Annual General Meeting. Pursuant to Section 257 of the Companies Act, 1956 the Company has

received a notice in writing from a member of the Company proposing his candidature for the office of Director liable to retire by rotation. Your Directors recommend his appointment for your approval.

During the year under review Mr. N K Sehgal resigned from the Board of the Company due to personal reasons and other pre-occupations.

Your Directors welcome Mr. Ajit Singh and place on record their sincere appreciation and gratitude for the services rendered by Mr. N K Sehgal during his tenure on the Board of the Company.

In accordance with the provisions of Section 256 of the Companies Act, 1956 read with Article 85 of the Articles of Association of the Company, Mr. S P Gugnani, Director of the Company retire by rotation and being eligible offer himself for re-appointment.

The Board of Directors at their meeting held on May 30, 2013 re-appointed Mr. Satish K Kaura as the Managing Director of the Company designated as "Chairman & Managing Director" for a period of 5 years with effect from 10.2.2013. Mr. Kaura will not be drawing any remuneration from the Company and will be overall in charge of the affairs of the Company.

Brief resume of the above Directors, nature of their experience and expertise in specific functional areas and the name of the public companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Notice convening the 27th Annual General Meeting and forms part of this Report.

Directors' Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, we state as follows:

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed and that there has been no material departures.
- ii. that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review.
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the Directors have prepared the annual accounts on a going concern basis.

Employee Stock Option Scheme

The details of options granted under the employee stock option scheme are given in Annexure "A" to this Report.

Fixed Deposits

During the year under review, the Company has neither invited nor accepted any deposits. There are no unclaimed or unpaid deposits lying with the Company.

Auditors & Audit

The Auditors of the Company M/s. S.S.Kothari, Mehta & Co., Chartered Accountants, New Delhi, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be within the prescribed limit under Section 224(1B) of the Companies Act, 1956. The Board of directors recommends their appointment, as Statutory Auditors for the next financial year for your approval.

The observations of the Auditors and the relevant notes on the accounts are self-explanatory. Further, explanations with regard to the observations/qualifications of the Auditors' are as under :

- a) The Company is of the view that the existing demand of Color Picture Tube can be serviced by operating the manufacturing facility at Line # 2 along with the Color Electron Gun division of the Company. Thus the Company is confident of running the operations as "Going Concern Basis" hence, the assets and liabilities of the Company have the realizable value as per their book values.
- b) Due to liquidity crisis and heavy losses during the year, there were defaults in repayment of principle amount of secured loans, over dues to the Banks / Financial Institutions and redemption of NCCRPS, as on 31st March 2013.
- c) The Company has impaired Plant & Machinery and its related Spares of some of its manufacturing facilities on the basis of applicable accounting standard.
- d) The Company has made provision for diminution in long term investments in some of its group companies.
- e) Debtors and Creditors balances are subject to reconciliations and confirmations.
- f) Due to suspension of operations in all the manufacturing facilities, the physical verification of stocks were not carried out as on 31st March 2013.
- g) Due to suspension of operations in all the plants during part of the year, the fixed assets were not verified by the management.

- h) Non deduction of tax deducted at source and other statutory dues on some of the provisions of expenses, made during the year.

Subsidiary Companies

Pursuant to Section 212 of the Companies Act, 1956, the required information in respect of subsidiary companies, i.e. Paramount Capfin Lease Private Limited and Blue Bell Trade Links Private Limited are annexed to the Annual Report.

Consolidated Financial Results

In accordance with the Accounting Standard – 21 – Consolidated Financial Statements read with Accounting Standard – 23 – Accounting for Investments in Associates issued by the Institute of Chartered Accountants of India, your Directors have pleasure in attaching the consolidated financial statements, which forms part of the Annual Report & Accounts.

Declaration Under Clause 49 of the Listing Agreement

All Directors and Senior Management Executives of the Company have affirmed compliance with the Code of Conduct for Board Members and Senior Management executives for the period April 1, 2012 to March 31, 2013.

Corporate Governance

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchanges.

A separate Report on Corporate Governance alongwith necessary Certificates and Report on Management Discussion & Analysis are enclosed as part of this Annual Report.

Statutory Disclosures

None of the Directors of your Company is disqualified as per the provisions of section 274 (1)(g) of the Companies Act, 1956. All the Directors have made necessary disclosures as required under various provisions of the Companies Act and Clause 49 of the Listing Agreement.

There is no employees in the Company drawing remuneration in excess of the limit prescribed u/s 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Information u/s 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'B' forming part of this Report.

Employee Relations

Due to decline in demands for the products of the Company and resultant financial constraints, the Company had to close all its units and lay off all its workers. This has resulted in sporadic disturbances in the industrial relations. Your Directors wish to place on record their sincere appreciation for the continued and devoted services rendered by all employees of the Company.

Acknowledgment

Your Directors express their gratitude and thanks to the Financial Institutions, Banks, Government Authorities particularly in the State of Uttar Pradesh, Himachal Pradesh & Rajasthan, Shareholders, Customers, Suppliers and other business associates for their continued co-operation and patronage.

For and on Behalf of the Board

Place: New Delhi
Date: August 14, 2013

Sd/-
Satish K. Kaura
Chairman & Managing Director

Annexure "A" to the Directors' Report: Details of Stock Options Granted During the Year 2010-11

- 1 Total number of Stock Options granted Nil
- 2 Pricing Formula The options were priced at closing price on the same date of grant at Bombay Stock Exchange. The details thereof are as follows:

| <u>Grant Date</u> | <u>No. of Options granted</u> | <u>Price Rs. / Shares</u> |
|-------------------|-------------------------------|---------------------------|
|-------------------|-------------------------------|---------------------------|

No options have been granted during the year 2012-13

| | |
|--------------|----------|
| Total | 0 |
|--------------|----------|

- 3 Options Vested during the year
- 4 Options exercised during the year 0
- 5 Options lapsed
- 6 Salient Terms of option
- A Each option will entitle the holder to apply for 1 equity share at the closing price of Bombay Stock Exchange on grant date.
- B The options will vest in employees in 3 equal installments at the end of 1st, 2nd and 3rd year from the date of grant.
- C There will be no lock in period for sale of shares after employees have exercised their options
- 7 Total number of option in force
- 8 Details of options granted to Senior Management Personnel: No options has been given during the year ended 31st March 2012.

Annexure 'B' to the Directors' Report

1. Conservation of Energy:

A) Energy conservation measures taken and consequent impact on the cost of production of goods:-

- i. Integration and optimization of heating, ventilation and air conditioning system of entire plant to reduce power consumption.

B) Additional investment and proposal, if any, being implemented for reduction of consumption of energy:-

- i. Since manufacturing facilities at all the plants are closed, there is no plan for additional investment for reduction in consumption of energy.

2. Technology Development, Absorption and Research & Development Activities

a) Specific areas in which R&D carried out by your Company

- i. Successfully commercialization of 21" Ultra Slim Pin Free CRT in line # 5.

b) Benefits derived as a result of the above activities

- i. Ability to introduce new products and meet market expectations on quality and price and also to enhance the cost competitiveness of your Company.
- ii. Saving on product development cost like Royalty, Technical Know How fees etc.

c) Future plan of action

- i. Realignment / impairment / re-sizing and efficient utilization of the manufacturing facilities.

d) Expenditure on R&D

| | <u>Rs Lacs</u> | |
|------------------------------|-------------------------------------|-------------------------------------|
| | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| Recurring | 0 | 251.13 |
| Capital | 0 | 0 |
| Total | 0 | 251.13 |
| Percentage of total turnover | 0 | 0.62% |

1. Technology Absorption, Adoption & Innovation

The company has developed capability to design and develop CPTs, their components, materials and equipment.

**2. Foreign Exchange Earning/ Outgo:
Expenditure in Foreign Currency:**

| | <u>Rs Lacs</u> | |
|--------------------------------------|--|--|
| | For the Year ended 31.03.2013 | For the Year ended 31.03.2012 |
| CIF Value of Imports | 5,218.49 | 7,552.81 |
| Others | 0.42 | 74.70 |
| Total | 5,218.91 | 7,627.51 |
| Earnings in Foreign Currency: | | |
| FOB Value of Exports | 0 | 892.65 |

Management Discussion & Analysis Report

Market & Outlook

Globally there has been sharp decline in the market for Color Picture Tube (CPT) based television sets.

This has an adverse affect on the operations of the Company. Lack of demand and reduced margin virtually choked the cash flow of the Company forcing it initially to suspend the manufacturing operations temporarily in some of the units and effective November, 2012 to close down operations across the spectrum.

The reference made by the Company to the Board for Industrial and Financial Reconstruction (BIFR) as required under the provisions of Sick Industrial Companies(Special Provisions) Act for determination whether the company is a sick industrial company or not has been accepted. The proceedings at BIFR are continuing for determination of the sickness of the Company.

Despite the constraints and difficulties the Company believes that there is demand for color picture tube based televisions primarily in South East Asia and Latin American countries. The manufacturing activities of the Company can be revived albeit on a lower scale provided requisite working capital is infused to the system. The Management is working on various options to help the Company turnaround by resuming its manufacturing activities.

Financial & Operational Results

During the year under review the Company achieved production of 0.05 million color picture tubes as compared to 2.86 million color picture tubes of the previous financial year registering a decline of approximately 82%. This was mainly due to a steep fall in the demand across the Globe and low margins resulting in mismatch of cash flow and working capital requirements.

The above factors have severely impacted the operations and profitability of the Company during the financial year under review. The Company ended the financial year 2013 with a Cash Profit (PBDT) of Rs. 101.48 crores (Previous year Cash Loss was rs. 125.38 crores). However, post extra-ordinary item, the Company registered loss of Rs. 455.60 crores as against loss of Rs.242.47 crores of the previous financial year.

Internal Control Systems and their Adequacy

The Company has an adequate system of internal control relating to purchase of stores, raw materials including components, plant & machinery, equipment and other similar assets and for the sale of goods commensurate with the size of the Company and nature of its business.

Human Resource Development/Industrial Relations

Due to decline in demands for the products of the Company and resultant financial constraints, the Company had to declare closure of all its units. The Company is making every efforts to maintain cordiality in the industrial relations.

To revive the Company and sustain the production the Company is putting all its efforts to rationalize and streamline the workforce.

Cautionary Statements

Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements.

The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Report on Corporate Governance for the year 2012-13

In compliance with Clause 49 of the Listing Agreement with the Stock Exchanges, the Company submits the Report on the matters mentioned in the said Clause and practice followed by the company.

CORORATE GOVERNACE PHILOSOPHY

Your Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholder value while safeguarding the interest of all stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic to all its operations. Samtel Color is led by a highly professional and independent Board, which provides it deep 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 responsibilities and to provide strategic direction to the management to create long-term shareholder value.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, highlight Samtel Color's compliance with the mandated Clause 49.

I BOARD OF DIRECTORS

Composition of the Board

The Board of Samtel Color Ltd. comprises of 3 Directors, of which two are independent. The Chairman and Managing Director is the only executive Director on the Board. Mr. Ajit Singh has been inducted as additional Director in the Board of the company and Mr. N K Sehgal has resigned from the Board effective from 11.02.2013. The Board consists of eminent persons with considerable professional experience and expertise in business and industry. The composition of the Board is in conformity with Clause 49 of the Listing Agreement. None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all the companies in which he is a Director. All the Directors have made disclosures regarding their directorships and memberships on various Committees across all companies in which they are Directors and Members.

Number of Board Meetings

During the Financial year 2012-13, the Board of Directors met five times. The dates on which meetings were held are 15th May, 2012, 14th August 2012, 30th August, 2012, 15th November 2012 and 15th February 2013. The maximum time gap between any two consecutive meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD (As on March 31, 2013)

| Name of the Director | Category / Status of Directorship | No. of Board meetings held during 2012-13 (Twelve months) | No. of Board meetings attended during 2012-13 (Twelve months) | Attendance in last AGM held on 4 th August 2012 | No. of Directorship in other Public Limited Companies | No. of Committee positions held | |
|----------------------|-----------------------------------|---|---|--|---|---------------------------------|--------|
| | | | | | | Chairman | Member |
| Mr. Satish K Kaura | Executive Promoter | 5 | 5 | Yes | 4 | NIL | 1 |

| | | | | | | | |
|-------------------|----------------------|---|---|-----|-----|-----|-----|
| | Director | | | | | | |
| Mr. S.P. Gugnani | Independent Director | 5 | 5 | Yes | 1 | NIL | NIL |
| Mr. N K Sehgal # | Independent Director | 5 | 4 | No | Nil | Nil | Nil |
| Mr. Ajit Singh @@ | Independent Director | 5 | 1 | No | Nil | Nil | Nil |

Mr. N K Sehgal has resigned from the Board effective from 11.02.2013. He has not been paid any sitting fee during the year.

@ Mr. Ajit Singh has joined the Board of the company effective from 11.02.2013 and also not been paid any sitting fee.

As mandated by the Clause 49, 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 its subsidiaries 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 an executives during the preceding three years of the:
 - Statutory audit firm or the 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 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. Whenever necessary, senior executives of the Company are invited to the Board meeting to provide additional insights on the matter being discussed.

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 details of remuneration paid to Directors during the financial year 2012-13 are given hereunder. The Company did not advance any loans to any of its Directors in the year under review.

(in Rs.)

| Name of the Director | Category / Status of Directorship | Sitting fees | Salaries, allowances and perquisites | Commission Total | |
|----------------------|-----------------------------------|--------------|--------------------------------------|------------------|-----------|
| Mr. Satish K Kaura | Executive Promoter Director | 0.00 | 0.00 | 0.00 | 0.00 |
| Mr. S.P. Gugnani | Independent Director | 260000.00 | 0.00 | 0.00 | 260000.00 |
| Mr. N K Sehgal# | Independent Director | 0.00 | 0.00 | 0.00 | 0.00 |
| Mr. Ajit Singh@ | Independent Director, | 0.00 | 0.00 | 0.00 | 0.00 |

#@ No sitting being is being paid to the said Directors of the company.

Details of the shareholding of independent Directors as on March 31, 2013 is given hereunder

| Name of the Director | Category / Status of Directorship | Number of shares held | Number of convertible instruments held |
|----------------------|-----------------------------------|-----------------------|--|
| Mr. S.P. Gugnani | Independent Director | 1800 | 0 |
| Mr. N K Sehgal | Independent Director | 0 | 0 |
| Mr. Ajit Singh | Independent Director | 0 | 0 |

Remuneration Policy

Samtel Color does not pay any remuneration to non-executive Directors except sitting fees of Rs. 15,000 for attending each Board or Audit Committee meeting and Rs. 5,000 for attending each Share Transfer and Investors Grievance Committee, Finance Committee meeting and / or any other committee of the Board of Directors. Mr. N K Sehgal & Mr. Ajit Singh are not being paid any sitting fees. The Company pays remuneration to its Chairman and Managing Director by way of salary, perquisites and allowances in terms of the approval of the Central Government.

Board Level Committees

Samtel Color has four Board level Committees i.e. Audit Committee, Share Transfer and Investors' Grievance Committee, Finance Committee, Remunerations and Compensation Committee. The Board of the Company takes all decisions with regard to constituting, assigning, co-opting, delegating and fixing the terms of reference for the Committees. Recommendations / decisions of the Committees are submitted/informed to the Board for approval/information. The quorum for the Board level committee meetings is either two members or one-third of the members of the Committee whichever is higher and two Independent members present in a meeting of the committee.

Audit Committee

The Audit Committee of the Company was constituted in the year 1988. As on 31st March 2013, the Company's Audit Committee comprises of two independent Directors. In 2012-13, the Audit Committee met five times on 15th May 2012, 14th August 2012, 30th August, 2012, 15th November 2012, and 15th February 2013. Minimum two numbers of Independent Directors were always present in each Audit Committee Meeting. All members of the Audit Committee have accounting and financial management expertise.

The composition and attendance of the members of the Committee are as detailed below

| Name of the Member | Position | No. of Meetings | No. of Meetings | Sitting fees (Rupees) |
|--------------------|----------|-----------------|-----------------|-----------------------|
|--------------------|----------|-----------------|-----------------|-----------------------|

| | | held | Attended | |
|-----------------|----------|------|----------|-------|
| Mr. S P Gugnani | Chairman | 5 | 5 | 60000 |
| Mr. Ajit Singh | Member | 1 | 1 | 0 |
| Mr. N K Sehgal | Member | 4 | 4 | 0 |

Mr. Ajit Singh has been inducted as a members effective from 11.02.2013.

Mr. N K Sehgal has resigned from the Board effective from 11.02.2013.

The audit committee was reconstituted on 15.02.2013. Mr. S P Gugnani has been appointed as the Chairman. Mr. Ajit Singh was nominated as member to the Audit Committee w.e.f 15.11.2011. No sitting is being paid to Mr. Ajit Singh for attending the meeting of the Audit Committee.

The terms of reference, role and power of the Audit Committee as stipulated by the Board are in conformity and in line with the statutory and regulatory requirements as prescribed under section 292A of the companies Act, 1956 and Clause 49 of the Listing Agreement.

The Chairman briefs the Board periodically about the Committee's activities and issues that arise with respect to the quality of the Company's financial statements, compliance with legal and regulatory requirements and the performance of the Company's Auditors.

It also holds periodical meetings with Auditors and provide an avenue of communication between internal auditors, statutory auditors and the Board of Directors

The Chairman of the Audit Committee was present in the last Annual General Meeting of the Company.

The Company Secretary acts as the Secretary to the Committee.

Share Transfer & Investors' Grievances Committee

The Company's Share Transfer and Investors' Grievance Committee comprises of two members. The Committee meets twice in a month to address share transfer requests and investors' grievances. The Chairman of the Committee is Mr. S P Gugnani, Independent Director. Mr. Satish K Kaura, CMD is the other member of the Committee. Details of complaints received and resolved during the financial year 2012-13 are as under:

| Nature of Complaints | 2012-2013 | | | | 2011-2012 | | | |
|--|-----------|----------|---------|---------|-----------|----------|---------|---------|
| | Opening | Received | Settled | Pending | Opening | Received | Settled | Pending |
| Relating to Transfers, Transmission, Dividend, Interest, Demat / Remat and Change of Address | 0 | 07 | 07 | 0 | 0 | 04 | 04 | 0 |

There are no legal proceedings with regard to transfer of shares, except in respect of shares which have been attached by the Court / Govt. Authorities. Your Company has taken appropriate action to protect the interest of investors.

The Company Secretary acts as the Secretary to the Committee and has been designated as the Compliance Officer to monitor the share transfer process and liaison with the regulatory authority.

Finance Committee

The Finance Committee of the Board of Directors comprises two members, Mr. Satish K Kaura and Mr. S P Gugnani. The Chairman of the Committee is Mr. Satish K Kaura, Chairman and Managing Director of the Company. The Committee met Four (2) times during the year.

The role of the Finance Committee is:

1. To negotiate with banks, financial institutions for working capital / other facilities, within the limits prescribed by the Board.
2. To replace or discontinue relationship with the existing bank and, whenever required, to induct a new bank / financial institution for better funds management
3. To open current account / cash credit / overdraft fixed deposit or other accounts or for other services with any scheduled banks.
4. To authorise designated Company officials to operate banking accounts.
5. To cover forward bookings and, whenever necessary, cancel foreign exchange exposures for working capital terms loans.

Remuneration and Compensation Committee

The Remuneration and Compensation Committee of the Board of Directors comprises two members. Mr. S P Gugnani and Mr. Ajit Singh all of whom are independent Directors. The Chairman of the Committee is Mr. S P Gugnani.

The Remuneration and Compensation Committee has been delegated the following powers by the Board of Directors:

1. To fix, revise and recommend the remuneration of the Chairman and Managing Director.
2. To fix, revise and recommend the remuneration structures of the senior employees of the Company.
3. To fix the number of options to be granted, and eligibility of the employee under ESOS'2001.

II MANAGEMENT

Management Discussion and Analysis

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 by Management to the Board

All details on the financial and commercial transactions where Directors may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

Details of Related Party Transactions

Disclosure of all related party transactions has been made in the notes to the accounts of the annual accounts, which forms part of the annual report. All the Directors have disclosed their interest in form No. 24AA pursuant to Section 299 of the Companies Act, 1956 and as and when there is any change of directorship or other interest, the same is placed before the Board for their information in their meeting.

Initiatives on Prevention of Insider Trading Practices

The Company has in place a comprehensive code of conduct for its management staff and relevant business associates. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautions them on consequences of violations.

Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company follows the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Details of Non-Compliance by the Company in Last Three Years

As on March 31, 2012, your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges, SEBI and other Statutory Authorities. No penalties or strictures have been imposed on your Company by the Stock Exchanges or SEBI or any other Statutory Authorities in connection with violation of Capital Markets norms, rules, regulations, etc. in the last three years,

Due to financial problems and company is under BIFR, company could not paid the listing fee to the Bombay Stock Exchanges Ltd. and National Stock Exchange of India for the year 2013-14. The company has also filed its application for delisting of equity shares from National Stock Exchange of India Ltd.

CEO / CFO Certification

The CEO and CFO certification as mandated in Clause 49 of the Listing Agreement was placed before the Board at its meeting held on 30th May, 2013.

III SUBSIDIARY COMPANIES

All subsidiary companies of the Company are managed by the respective Board of Directors having the rights and obligations to manage such companies in the best interest of their stakeholders. The Company and its Board regularly monitors the performance of the subsidiary companies.

IV. SHAREHOLDERS

Means of Communication

During the year the quarterly and annual results has been published in one English and one Hindi daily. The Company's quarterly results are also available on its website www.samtelgroup.com.

General Body Meetings

The details of the last three Annual General Meetings are given hereunder

| Year | Date | Time | Venue | No. of Spl. Resolutions passed | No. of members presented by | |
|---------|------------|-----------|--|--------------------------------|-----------------------------|-------|
| | | | | | In person | Proxy |
| 2011-12 | 29.12.2012 | 4.00 P.M. | Executive Club (M/s Dolly farms and Resorts Pvt. Ltd. 439, village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074. | 1 | 62 | 45 |
| 2010-11 | 4.8.2011 | 3.00 P.M. | Air Force Auditorium, Subroto Park, New Delhi - 110 010 | 1 | 347 | 42 |
| 2010-11 | 4.8.2011 | 3.00 P.M. | Air Force Auditorium, Subroto Park, New Delhi - 110 010 | 1 | 347 | 42 |

Neither any Extra-Ordinary General Meeting of the Members of the Company was held nor any resolution was passed through Postal Ballot during the year under review.

V. ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

Date: 29.12.2012

Day: Monday

Time: 3.00 p.m.

Venue: Executive Club (M/s Dolly farms and Resorts Pvt. Ltd. 439, village Shahoorpur, P.O. Fatehpur Beri, New Delhi - 110074.

Financial Results

In the financial year 2012-13 the interim results were announced on:

14th August' 2012: First quarter

30th August' 2012: Audited account for the year 2011-12

15th November 2012: Second quarter and half yearly results.

15th February 2013: Third quarter results.

15th May 2013: Forth quarter & unaudited results for the year ended 2012-13.

Book Closure

The register of members will remain closed from 26th September' 2013 to 30th September' 2013.

Dividend

The Company has not declared any dividend since 2005-06, due to inadequacies in the profits of the company.

Listing And Stock Codes

1: STOCK CODES / SYMBOL OF THE COMPANY

Stock Exchanges Stock codes

BSE 500372

NSE SAMTEL

2: ISIN No. : INE 381A01016

Stock Data

Share prices of the Company at BSE/NSE in 2012-13 (12 Months)

| Month | BSE | | | NSE | | |
|----------|------------|-----------|---------------------------------|------------|-----------|---------------------------------|
| | High (Rs.) | Low (Rs.) | Volume (Nos. of shares in '000) | High (Rs.) | Low (Rs.) | Volume (Nos. of shares in '000) |
| April-11 | 3.99 | 2.68 | 105 | 2.80 | 2.75 | 73 |
| May-11 | 3.75 | 2.85 | 96 | 3.15 | 2.85 | 55 |
| June-11 | 3.28 | 2.67 | 46 | 3.00 | 2.85 | 93 |
| July-11 | 3.68 | 2.76 | 53 | 2.90 | 2.85 | 88 |
| Aug-11 | 3.00 | 2.35 | 72 | 2.50 | 2.45 | 73 |
| Sep-11 | 3.40 | 2.28 | 103 | 3.25 | 3.00 | 74 |
| Oct-11 | 3.58 | 2.67 | 106 | 2.70 | 2.55 | 61 |

| | | | | | | |
|----------|------|------|-----|------|------|-----|
| Nov-11 | 3.11 | 2.28 | 75 | 2.80 | 2.70 | 81 |
| Dec-11 | 3.32 | 2.57 | 168 | 2.75 | 2.60 | 155 |
| Jan-12 | 3.30 | 2.46 | 145 | 2.85 | 2.60 | 144 |
| Feb-12 | 2.81 | 2.00 | 170 | 2.40 | 2.20 | 121 |
| March-12 | 2.28 | 1.62 | 64 | 1.95 | 1.70 | 207 |

Shareholding Pattern by ownership as on 31.03.2013

| Particulars | No. of share Holders | %age of share holders | No. of shares held | % of share Holding |
|---|----------------------|-----------------------|--------------------|--------------------|
| Directors, Promoters and family members | 19 | 0.07 | 24675690 | 28.86 |
| FIs | 15 | 0.06 | 104400 | 0.12 |
| Mutual Funds | 10 | 0.04 | 7000 | 0.01 |
| Financial Institutions/Banks | 16 | 0.06 | 33149465 | 38.77 |
| NRIs / OBCs | 350 | 1.32 | 6381128 | 7.46 |
| Bodies Corporates | 472 | 1.78 | 2567169 | 3.00 |
| Individuals Public | 25562 | 96.67 | 18607745 | 21.78 |
| Total | 26444 | 100 | 85492597 | 100 |

Note: Number of shares excludes forfeited 6000 partly paid equity shares @ Rs.5.00 per share.

Shareholding pattern by size-class as on 31.03.2013

| Categories | No. of share Holders | % of share holders | No. of shares held (Amt.) | % of share holding |
|-----------------|----------------------|--------------------|---------------------------|--------------------|
| 1-500 | 21438 | 81.07 | 37099030 | 4.34 |
| 501-1000 | 2348 | 8.88 | 20376710 | 2.38 |
| 1001-2000 | 1149 | 4.35 | 18427800 | 2.16 |
| 2001-3000 | 448 | 1.69 | 11774970 | 1.38 |
| 3001-4000 | 206 | 0.78 | 7504830 | 0.88 |
| 4001-5000 | 239 | 0.90 | 11445980 | 1.34 |
| 5001-10000 | 327 | 1.24 | 24658970 | 2.88 |
| 10001 and above | 289 | 1.09 | 723637680 | 84.64 |
| Total | 26444 | 100 | 854925970 | 100 |

Note: Number of shares excludes forfeited 6000 partly paid equity shares @ Rs.5.00 per share.

Dematerialisation of Shares

With effect from 26th June 2000, the shares of the Company were admitted to compulsory de-mat mode vide circular no. SMBRP / POLICY / CR-9 / 2000 dated 16 February, 2000 issued by SEBI. Currently shares of the Company are held in both electronic and physical mode. Over 96% equity shares of the Company have already been dematerialised.

Share Transfer System

The Shares Transfer and Investors' Grievance Committee, which normally meets twice each month, processes and approves shares sent for transfer, transmission etc. The facility for the transfer in electronic mode is available to the investors.

Details of Funding Obtained in the Last Three Years

- A. Pursuant to Corporate Debts Restructuring (CDR) package (CDR-I) approved by CDR cell vide its letter-dated 27.09.2007, the promoters/promoter companies had infused in the year 2008, Rs. 15.00 crs for issue & allotment of 6976744 Equity shares of face value of Rs. 10.00 each at a premium of Rs. 11.50 per share. While processing the applications for listing of equity shares allotted to Promoter companies, the Company was advised by Bombay Stock Exchange Ltd. To increase the issue price of the shares by Rs. 0.99 per share in accordance with the relevant guidelines of SEBI. Accordingly, additional premium of Rs. 0.99 on 6976744 equity shares issued and allotted to Promoter companies aggregating to Rs. 69,06,976.00 was received by the company in the month of June' 2011 from the respective allottees. The listing of the said equity shares have since been approved by the Stock Exchanges.
- B. Pursuant to revised Corporate Debts Restructuring (CDR) package (CDR-II) approved by CDR cell vide its letter-dated 01.09.2009, the promoters/promoter companies were to infuse Rs. 50.00 crs. (Rs. 10.00 crs. within 4 months and further Rs. 20.00 crs. by December 2010 and balance of Rs. 20.00 in the FY 2012I) by way of Equity as part of their contribution to the revised debts restructured package. Accordingly,
- (i) An amount of Rs. 10.00 crores has been received from M/s Teletube Electronics Ltd. (promoter company) towards subscription against 6872858 warrants having optional right of conversion into against each one equity share of face value of Rs. 10.00 each at a premium of Rs. 4.55 per shares & the terms of CDR Package has already been complied with.
 - (ii) Further, Rs. 20.00 crores has also been received from M/s Teletube Electronics Ltd. (promoter company) towards subscription against 13745704 warrants having optional right of conversion into against each one equity share of face value of Rs. 10.00 each at a premium of Rs. 4.55 per shares & the terms of CDR Package has already been complied with.
 - (iii) Necessary approval of the shareholders u/s 81(1A) of the Companies Act, 1956 was obtained in the Annual General Meeting held on 4.8.2011 for issuance of convertible warrants/equity shares to the Promoter company on preferential basis against infusion of Rs. 20.00 crores in terms of approved CDR package. The requisite equity contribution has not yet been made by the promoter company due liquidity constraints.

Outstanding Warrants and their Implications on Equity

As on March 31, 2012 there were no outstanding warrants to be converted into equity shares. However, the Company is yet to issue and allot 13745704 warrants having optional right of conversion into equity shares of the face value of Rs. 10/- each to M/s. Samtel Machines and Projects Limited (Formerly known as Teletube Electronics Limited) as necessary approval of the Stock Exchanges is awaited in this regard. Full consideration (including premium of Rs. 4.55 per warrant) aggregating to Rs. 30 crores have already been received by the Company in two tranches i.e. Rs. 10 crores in December, 2009 and Rs. 20 crores in December, 2010. The warrants will be issued immediately on receipt of in-principal approval from the Stock Exchanges.

Status as regards adoption / non-adoption of non-mandatory requirements laid down in revised Clause 49 of the Listing Agreement and forming part of the Report on Corporate Governance.

| Sl. No. | Particulars | Status |
|---------|---|----------------|
| 1 | Non-executive Chairman may be entitled to maintain a Chairman's office at the company's expenses and also allowed reimbursement of expenses incurred for performance of his duties. | Not Applicable |
| 2 | Constitution of Remuneration Committee | Adopted |
| 3 | Independent Directors | |
| | Independent Directors may have a tenure not exceeding in the aggregate, a period of 9 years on the Board of the company | Not adopted |
| 4 | Shareholders Rights | |
| | The half yearly declaration of financial performance including summary of the significant events in the last 6 months should be sent to each household of shareholders | Not adopted |
| 5 | Audit qualifications | |
| | The company may move towards a regime of unqualified financial statements. | Not adopted |
| 6 | Training of Board Members | |
| | Board Members may be trained in the business model of the company as well as on the risk profile of the business parameters of the company, their responsibilities as Director and the best ways of discharging them. | Not adopted |
| 7 | Evaluation of Non-Executive Board Members | |
| | Mechanism for evaluating performance of Non-Executive Directors by peer group consisting of entire Board excluding the Director being evaluated. | Not adopted |
| 8 | Whistle Blower Policy | |
| | The company may establish a mechanism for employees to report to the Management concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. | Not adopted |

INVESTOR CORRESPONDENCE

Share Transfer Agent: MCS Limited,
F - 65, 1st Floor,
Okhla Industrial Area, Phase I,
New Delhi - 110020.
Phone : (011) 41406149, 41406151 & 52,
41609386, 41703885

Fax : (011) 41709881

Company Secretary & Compliance Officer: Prabhat Kumar Nanda
Email ID : prabhatnanda@samtelgroup.com
Contact no.: 011 - 42424000

Registered Office Samtel Color Limited,

6th Floor, 7 TDI Centre,
Dist. Centre, Jasola,
New Delhi - 110025
Phone : 011-42424000.
Fax : 011- 42424099

Plant Locations

- | | |
|---|--|
| Colour Picture Tubes Manufacturing Unit (I): | - Village Chhaprula, Bullandshehar Road, Dist. Gautam Budh Nagar - 201 009, Uttar Pradesh |
| Colour Picture Tubes Manufacturing Unit (II): | - Plot 2, Village Chhaprula, Bisrakh Road, Greater Noida Industrial Development Area, Dist. Gautam Budh Nagar - 201 009 Uttar Pradesh |
| Colour Picture Tubes Manufacturing Unit (III): | - Village Naya Nohra, Kota-Baran Road, Kota Rajasthan |
| Colour Electron Gun Manufacturing Unit : | - C-1/1,2,3, Sector XXII, Industrial Area, Meerut Road, Ghaziabad - 201 003 Uttar Pradesh |
| Deflection Yoke Manufacturing Unit : | - Plot no. 6, Sector 2, Industrial Area, Parwanoo, Distt. Solan Himachal Pradesh . |

R.S. Chauhan & Associates

Company Secretaries

P-44, Ground Floor, Pandav Nagar,

Near Alcon Public School, Mayapuri Phase-I,

New Delhi 110091

PH:-011-22758918, Mob No:- 9971988920

CERTIFICATE

To,
The Members,
SAMTEL COLOR LIMITED
Registered office:
501, 5th Floor, Copia Corporate Suits,
Plot No. 9, District Centre – Jasola
New Delhi-110025

1. We have examined the compliance of conditions of Corporate Governance by **SAMTEL COLOR LIMITED** for the 12 months period from April 1, 2012 to March 31, 2013, as stipulated in clause 49 of the Listing Agreement executed by the said Company with Stock Exchange of India.
2. The compliance of conditions of corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us, we certify that, the Company has complied with the conditions of Corporate Governance in the above mentioned Listing Agreement
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.S.CHAUHAN & ASSOCIATES

Company Secretaries

Sd/-

(Rakesh Kr Singh Chauhan)

Proprietor

C.P.No.7491

Place : New Delhi

Date : 14th August, 2013

INDEPENDENT AUDITOR'S REPORT**To the Members of Samtel Color Limited**

We have audited the accompanying financial statements of Samtel Color Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

The financial statements have been prepared by the Company on the going concern basis as fully elaborated in Note 38 of the financial statements as the proceedings are going on before the Board of Industrial and Financial Reconstruction under the Sick Industrial Companies(Special Provisions) Act 1985.



We had reported in our audit report for the year ended 31st March 2012 as under:-

(i) The entire net worth of the Company has eroded completely; (ii) the Company has initiated the bidding process for the disposal of production lines 1 and 4 (non-core assets) out of 4 production lines at plant situated at Gautam Budh Nagar (Uttar Pradesh) after obtaining approval of CDR lenders and consequently impaired those production lines by Rs. 3,866.91 Lacs and related stores & spares by Rs. 512.28 Lacs; (iii) the manufacturing operations at other production lines at plants situated at Ghaziabad (Uttar Pradesh) & Parwanoo (Himachal Pradesh) could not be resumed in the financial year due to non-participation of labour in production process due to their over-dues; (iv) the Company has defaulted in repayment of loans as per CDR scheme and borrowings of other lenders; (v) there is diminution in the value of long term investments; (vi) reconciliation and confirmations of balances of certain major creditors and acceptances are pending; (vii) non-redemption of 969,163, 0% redeemable preference shares of Rs100 each amounting to Rs. 969.16 lacs already due for redemption; and (viii) non payment of preference dividend for the period from 31st March 2008 to 31st March 2012 aggregating to Rs. 773.61 Lacs on 2110116 8% Non Convertible Cumulative Redeemable Preference Shares.

We further report that during the year, in addition to the continuation of our above observations, as under:-

(i) in view of the continued failure of the Company to disburse the legitimate dues of the workmen, Hon'ble High Court of Himachal Pradesh (Shimla) has settled the dispute by passing an order for the closure of Deflection Yoke unit at Parwanoo (H.P) and thereby, pay off the corresponding outstanding dues by selling the industrial undertaking/Company assets etc., (ii) the operations have been suspended in all locations by the mid of November 12, & have not been resumed till date and consequently, management has impaired the production lines 3 & 5, located at Gautam Buddha Nagar (UP) & Deflection Yoke unit located at Parwanoo (HP) by Rs. 27,977.06 lacs and related stores & spares by Rs. 410.35 lacs etc.; (iii) the impairment of assets of production line 2, located at Gautam Buddha Nagar (U.P.), and gun division at Meerut has not been considered by the management on the rationale of its revival plan of running the operations by restructuring them even though in our opinion considering the liquidity crunch, the probability of running these lines seems remote; (iv) the balances outstanding as on 31st March, 2013 of receivables & inventory are subject to confirmation & physical verification respectively due to temporary suspension of operations & non access to inventories, (v) raw material & finished goods inventory amounting to Rs. 311.90 lacs and Rs. 55 lacs respectively have been seized by the excise authorities due to non-payment of excise dues; (vi) there is non-submission of various statutory returns acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax/TDS/Excise/Vat & CST/WCT/TCS/ESI/Gratuity/Bonus/ Preference dividend & related over dues (interest and penalty), non deduction of TDS on provisional expenses; and as explained by management exact amount of which could not be ascertained in present scenario; (viii) there is increase in diminution of investments in current year of Rs. 841.48 lacs, (ix) Assets lying with the Provident Fund trust have been transferred to Regional Provident Fund Commissioner and those related to Gratuity Trust have been settled by adjustment of employees dues. However, as per the management, related liability has been accounted for completely and there will be no demand over and above the same; (x) Company has accounted for its gratuity and leave encashment liability on actual basis rather than on actuarial valuation method which has been prescribed in Accounting Standard AS-15, "Employee Benefits".

These factors raise substantial doubts as to the Company's ability to continue as going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustment relating to the recoverability and classification of recorded assets amounts.



Based on the above facts we are of the opinion that going concern assumption has been affected and the financials should have been stated at net realisable value.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph regarding erosion of net-worth coupled with other events and inability in realisation of assets and discharge of liabilities based on going concern assumptions and clauses (1), (2), (3), (7), (9), (10), (11) & (17) of annexure to Auditor's Report referred in clause 1 of paragraph of 'Report on other Legal and Regulatory requirements' below; being non-provision of physical verification due to restricted access of fixed assets & inventories, irregular in payment or principal and interest to certain parties, internal audit system, non payment of outstanding statutory dues, cash loss in the current financial year, default in payment of dues to financial institutions and banks and utilization of short-term funds for long term purposes, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- e) On the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

For S. S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration Number: 000756N



(K. K. Tulshan)

Partner

Membership Number: 085033



Place: New Delhi

Date: 31st May, 2013

Re: Samtel Color Limited

Referred to in clause 1 of paragraph on 'Report on Other Legal and Regulatory Requirements' of our report of even date,

- 1) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) *During the year, due to suspension of the operations and non-access of the fixed assets at all plant locations, the physical status of the assets as at the reporting date and till the date of signing of this report could not be confirmed by the management. Consequently, we are unable to comment on the accounting of any material discrepancy noticed on physical verification, if any.*
 - (c) In our opinion and according to the information and explanations given to us, substantial part of fixed assets has not been disposed of by the Company. However, *during the year, plant & machinery related to line no 3 & 5, located at Gautam Buddh Nagar plant, and Deflection Yoke unit, located at Parwanoo (HP), have been impaired and the book value have been reduced by ₹ 27,977.06 lacs. [refer note no 38 (b)].*
- 2) (a) *The inventory could not be physically verified by the management during the year, as the factories at all locations were closed due to temporary suspension and access to inventories were not available as at 31st March 2013. Thus the inventories have been taken on the basis of management certification.*
 - (b) *We are unable to comment on the procedures of physical verification of inventory followed by the management for the reason 2(a) above.*
 - (c) *Due to the reasons mentioned in 2(a) above, we are unable to comment on the inventory records and discrepancies thereto.*
- 3) (a) The Company has granted unsecured loans to two companies covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at anytime during the year and the year-end balance from them is ₹ 277.00 lacs and ₹ 100.00 lacs, respectively.
 - (b) The rate of interest and other terms and conditions of loans given by the Company, are not *prima facie* prejudicial to the interest of the Company.
 - (c) These loans are repayable on demand. *However the receipt of the interest is irregular.*
 - (d) As informed to us, there are no overdue amounts *except interest thereon.*
 - (e) The Company has taken unsecured loans from three parties (including director), covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year and the year end balance from them is ₹ 314.78 lacs, excluding interest thereon (which includes maximum outstanding and year end balance of ₹ 70.30 lacs from a director).



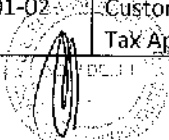
- (f) In our opinion, the rate of interest and other terms and conditions of such loans are not *prima facie* prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the Company is *irregular in repayment of principal and interest amount.*
- 4) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources does not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5) (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs or more in respect of each party, during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- 7) *In our opinion, the Company should strengthen internal audit system commensurate with its size and nature of its business.*
- 8) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 9) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company had been *irregular* in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) *According to information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears at the year-end for a period of more than six months from the date they became payable except ₹ 110.43 lacs of TDS, ₹ 0.38 lacs of TCS, ₹ 273.74 lacs of*



Provident Fund, ₹ 140.62 lacs of Vat. & CST, ₹ 244.50 of Excise, ₹ 0.27 lacs of WCT and ₹ 5.13 lacs of Service Tax.

- (c) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty and cess as at 31st March, 2013 which have not been deposited on account of a dispute, are as follows-

| (₹ in lacs) | | | | |
|-----------------------------|----------------|--------------------------------|--|---------|
| Name of the Statute | Nature of Dues | Related Period | Forum where the dispute is pending | Amount |
| Central Sales Tax Act, 1956 | Trade Tax | F. Y. 1995-96 to 1998-99 | Hon'ble Supreme Court | 431.60 |
| | Trade Tax | F. Y. 1995-96 | Tribunal, Ghaziabad | 1.95 |
| | Trade Tax | F. Y. 1996-97 | Tribunal, Noida | 2.10 |
| | Trade Tax | F. Y. 1996-97 | Tribunal, Noida | 1.30 |
| | Trade Tax | F. Y. 1996-97 | Hon'ble High Court, Allahabad | 6.00 |
| | Trade Tax | F. Y. 1997-98 | Hon'ble High Court, Allahabad | 201.56 |
| | Trade Tax | F. Y. 1997-98 and 1998-1999 | Hon'ble High Court | 120.27 |
| | Trade Tax | F. Y. 1999-00 | Hon'ble High Court, Allahabad | 47.28 |
| | Entry Tax | F. Y. 2000-01 | Hon'ble High Court, Allahabad | 55.92 |
| | Entry Tax | F. Y. 2002-03 | Hon'ble High Court, Allahabad | 21.59 |
| | Entry Tax | F. Y. 2003-04 | Hon'ble High Court, Allahabad | 0.82 |
| | Trade Tax | F. Y. 2004-05 | Hon'ble Tribunal, Ghaziabad | 1.50 |
| Entry Tax | F. Y. 2008-09 | Addl. Commissioner Appeals | 1.75 | |
| Central Customs Act, 1962 | Customs Duty | F. Y. 2003-04 | Commissioner Customs | 7.49 |
| | Customs Duty | F. Y. 2005-06 to F. Y. 2007-08 | Customs, Excise & Service Tax Appellate Tribunal | 758.80 |
| U.P. VAT Act | Sales Tax | F. Y. 2007-08 | Hon'ble High Court, Allahabad | 343.33 |
| Central Excise Act, 1944 | Excise Duty | F. Y. 1994-99 | Hon'ble Supreme Court | 109.00 |
| | Excise Duty | F. Y. 1996-97 | Customs, Excise & Service Tax Appellate Tribunal | 1.99 |
| | Excise Duty | F. Y. 1996-97 | Hon'ble High Court, Allahabad | 86.50 |
| | Excise Duty | F. Y. 1997-98 | Hon'ble High Court, Allahabad | 66.38 |
| | Excise Duty | F. Y. 1998-99 | Customs, Excise & Service Tax Appellate Tribunal | 0.73 |
| | Excise Duty | F. Y. 2000-01 | Hon'ble High Court, Allahabad | 64.25 |
| | Excise Duty | F. Y. 2001-02 | Customs, Excise & Service Tax Appellate Tribunal | 1419.97 |



| Name of the Statute | Nature of Dues | Related Period | Forum where the dispute is pending | Amount |
|----------------------|------------------|------------------------|--|--------|
| | Excise Duty | F. Y. 2002-03 | Hon'ble High Court, Allahabad | 3.03 |
| | Service Tax | F.Y. 2002-07 | Customs, Excise & Service Tax Appellate Tribunal | 9.19 |
| | Excise Duty | F. Y. 2003-04 | Hon'ble High Court, Allahabad | 8.64 |
| | Excise Duty | F.Y 2004-05 to 2007-08 | Commissioner - Excise | 6.40 |
| | Service Tax | F.Y. 2004-08 | Commissioner - Excise | 400.65 |
| | Excise Duty | F. Y. 2004-05 | Customs, Excise & Service Tax Appellate Tribunal | 10.00 |
| | Excise Duty | F. Y. 2004-05 | Dy. Commissioner Excise | 1.68 |
| | Excise Duty | F. Y. 2005-06 | Customs, Excise & Service Tax Appellate Tribunal | 314.32 |
| | Excise Duty | F. Y. 2005-06 | Customs, Excise & Service Tax Appellate Tribunal | 81.04 |
| | Excise Duty | F.Y 2005-06 | CESTAT | 7.20 |
| | Excise Duty | F. Y. 2006-07 | Jt. Secretary, Ministry of Finance | 27.66 |
| | Excise Duty | F.Y. 2006-07 | Commissioner of Central Excise | 9.0 |
| | Excise Duty | F.Y. 2008-09 | Joint Commissioner of Appeal | 47.94 |
| | Excise Duty | F.Y. 2008-09 | Commissioner (Appeal) Central Excise | 6.11 |
| | Service Tax | F.Y. 2009-10 | Commissioner - Excise | 31.26 |
| Income Tax Act, 1961 | Income Tax | A.Y. 2005-06 | Commissioner of Income Tax (Appeal) | 245.03 |
| | Income Tax (TDS) | F.Y. 2006-07 | Commissioner of Income Tax (Appeal) | 0.49 |
| | Income Tax | A.Y. 2008-09 | Commissioner of Income Tax (Appeal) | 46.23 |
| | Income Tax (TDS) | F.Y. 2008-09 | Rectification application for amendment of assessment order is being filed before the Assessing Officer. | 134.01 |
| | Income Tax (TDS) | F.Y. 2009-10 | | 12.69 |
| | Income Tax (TDS) | F.Y. 2009-10 | Commissioner of Income Tax (Appeal) | 6.68 |

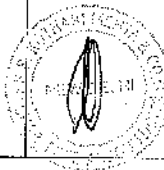
10)

The Company has accumulated losses as at 31st March, 2013 of ₹ 72,647.91 lacs. The accumulated losses at the end of the financial year are not less than fifty percent of its net-worth. The net-worth of the Company has eroded completely at the end of the financial year. The Company has incurred cash losses during the current financial year and immediately preceding financial year.



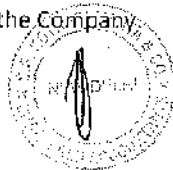
11) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of dues to financial institutions and banks as per details below:-

| Nature Of Dues | Amount Due (₹ in Lacs) | Due Date | Payment Date | Amount Paid (₹ in Lacs) | Delay Days as on | |
|----------------|------------------------|------------|--------------|-------------------------|----------------------------|----------------------------|
| | | | | | 31 st Mar, 2013 | 31 st May, 2013 |
| Principal | 93.48 | 31-03-2011 | Not Yet Paid | Not Applicable | 731 | 792 |
| | 2726.58 | 30-06-2011 | | | 640 | 701 |
| | 22.34 | 15-08-2011 | | | 594 | 655 |
| | 2427.28 | 30-09-2011 | | | 548 | 609 |
| | 31.55 | 31-10-2011 | | | 517 | 578 |
| | 17.50 | 15-11-2011 | | | 502 | 563 |
| | 766.39 | 31-12-2011 | | | 456 | 517 |
| | 17.50 | 15-02-2012 | | | 410 | 471 |
| | 860.81 | 31-03-2012 | | | 365 | 426 |
| | 17.50 | 15-05-2012 | | | 320 | 381 |
| | 829.26 | 30-06-2012 | | | 274 | 335 |
| | 17.50 | 15-08-2012 | | | 228 | 289 |
| | 829.26 | 30-09-2012 | | | 182 | 243 |
| | 17.50 | 15-11-2012 | | | 136 | 197 |
| | 829.27 | 31-12-2012 | | | 90 | 151 |
| 17.50 | 15-02-2013 | 44 | 105 | | | |
| 829.27 | 31-03-2013 | 1 | 61 | | | |
| Principal | 271.00 | 31-03-2011 | 03-05-2011 | 50 | 33 | |
| | | | 17-06-2011 | 25 | 78 | |
| | | | 24-06-2011 | 100 | 85 | |
| | | | 30-06-2011 | 96 | 91 | |
| | 58.56 | 31-03-2011 | 23-06-2011 | 58.56 | 84 | |
| | 138.42 | 31-03-2011 | 30-06-2011 | 138.42 | 91 | |
| | 110.81 | 31-03-2011 | 30-04-2011 | 110.81 | 30 | |
| | 12.63 | 31-03-2011 | 16-06-2011 | 12.63 | 77 | |
| | 31.25 | 31-03-2011 | 21-06-2011 | 31.25 | 82 | |
| | 126.00 | 31-03-2011 | 30-06-2011 | 126 | 91 | |
| | 15.54 | 3/31/2011 | 6/16/2011 | 15.54 | 77 | |
| | 332.49 | 30-06-2011 | 29-09-2011 | 332.49 | 91 | |
| | 217.27 | 30-06-2011 | 09-02-2011 | 25 | 64 | |
| | | | 15-09-2011 | 30 | 77 | |
| | | | 23-09-2011 | 25 | 85 | |
| | | | 30-09-2011 | 137.27 | 92 | |
| | 62.88 | 30-06-2011 | 16-09-2011 | 62.88 | 78 | |
| 22.34 | 15-05-2011 | 06-06-2011 | 22.34 | 22 | | |
| 63.00 | 30-09-2011 | 12-11-2011 | 63 | 43 | | |
| 63.00 | 31-12-2011 | 31-03-2011 | 63 | 91 | | |



| Nature Of Dues | Amount Due (₹ in Lacs) | Due Date | Payment Date | Amount Paid (₹ in Lacs) | Delay Days as on | |
|--|------------------------|------------|--------------|-------------------------|----------------------------|----------------------------|
| | | | | | 31 st Mar, 2013 | 31 st May, 2013 |
| Interest | 0.56 | 31-05-2011 | Not Yet Paid | Not Applicable | 670 | 731 |
| | 1.17 | 30-06-2011 | | | 640 | 701 |
| | 107.21 | 31-07-2011 | | | 609 | 670 |
| | 107.21 | 31-08-2011 | | | 578 | 639 |
| | 134.18 | 30-09-2011 | | | 548 | 609 |
| | 144.18 | 31-10-2011 | | | 517 | 578 |
| | 144.18 | 30-11-2011 | | | 487 | 548 |
| | 144.18 | 31-12-2011 | | | 456 | 517 |
| | 154.21 | 31-01-2012 | | | 425 | 486 |
| | 154.21 | 28-02-2012 | | | 397 | 458 |
| | 154.21 | 31-03-2012 | | | 365 | 426 |
| | 203.61 | 30-04-2012 | | | 335 | 396 |
| | 203.61 | 31-05-2012 | | | 304 | 365 |
| | 203.61 | 30-06-2012 | | | 274 | 335 |
| | 203.61 | 31-07-2012 | | | 243 | 304 |
| | 203.61 | 31-08-2012 | | | 212 | 273 |
| | 203.61 | 30-09-2012 | | | 182 | 243 |
| | 203.61 | 31-10-2012 | | | 151 | 212 |
| | 203.61 | 30-11-2012 | | | 121 | 182 |
| | 203.61 | 31-12-2012 | | | 90 | 151 |
| 203.61 | 31-01-2013 | 59 | 120 | | | |
| 203.61 | 28-02-2013 | 31 | 92 | | | |
| 225.91 | 31-03-2013 | 1 | 61 | | | |
| Interest | 132.00 | 31-03-2011 | 15-04-2011 | 15 | | |
| | | | 15-04-2011 | 15 | | |
| | | | 15-04-2011 | 15 | | |
| | | | 05-04-2011 | 5 | | |
| | | | 06-04-2011 | 6 | | |
| | | | 07-04-2011 | 7 | | |
| Penal Interest on Default of Principal | 573.34 | | | | | |

- 12) In our opinion and according to the information and explanation given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- 13) In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- 14) As per the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provision of clause 4 (xiv) of the Order is not applicable to the Company.

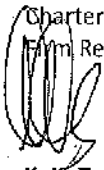


- 15) In our opinion, and according to the information and explanations given to us, the terms and conditions of a guarantee of ₹1,390.88 lacs given by the Company, for a loan taken by Samtel Electron Devices, GmbH from a bank, are prima facie not prejudicial to the interest of the Company.
- 16) In our opinion and according to the information and explanations given to us, no fresh term loan has been obtained by the Company during the year under audit. Accordingly, the provision of clause 4 (xvi) of the Order is not applicable to the Company.
- 17) *On the basis of an overall examination of the balance sheet of the Company, we report that short term funds of ₹37,027.81 lacs generated from reduction in net current assets have been utilized for long term applications.*
- 18) According to the information and explanation given to us, the Company has not made preferential allotment of shares to any of the parties covered in the register maintained under Section 301 of the Act.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have been informed of such case by the management.

For S. S. Kothari Mehta & Co.

Chartered Accountants

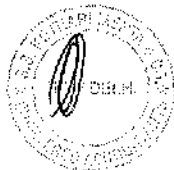
Firm Registration No. : 000756N



K. K. Tulshan

Partner

Membership No: 085033



Place: New Delhi

Date: 31st May, 2013

| SAMTEL COLOR LIMITED | | | |
|---|----------|------------------------|------------------------|
| Balance Sheet as at 31st March, 2013 | | | |
| (Figures in ₹ lacs) | | | |
| Particulars | Note No. | As At 31st March, 2013 | As At 31st March, 2012 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 11,628.84 | 11,628.84 |
| (b) Reserves and Surplus | 4 | (65,567.84) | (20,007.52) |
| (c) Money Received against Share Warrants | 5 | 3,000.00 | 3,000.00 |
| (2) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 6 | 14,707.51 | 17,148.34 |
| (b) Long Term Provisions | 7 | 1,823.32 | 1,252.57 |
| (3) Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | 15,592.20 | 14,517.29 |
| (b) Trade Payables | 9 | 12,396.73 | 7,577.51 |
| (c) Other Current Liabilities | 10 | 31,322.01 | 23,235.67 |
| (d) Short Term Provisions | 11 | 311.52 | 224.78 |
| Total | | 25,214.29 | 58,577.48 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | | | |
| (i) Tangible Assets | | 14,248.36 | 49,252.32 |
| (ii) Intangible Assets | | 8.96 | 13.06 |
| (b) Non-Current Investments | 13 | 1,476.03 | 2,317.51 |
| (c) Long Term Loans and Advances | 14 | 343.09 | 451.66 |
| (2) Current Assets | | | |
| (a) Inventories | 15 | 1,570.29 | 1,852.07 |
| (b) Trade Receivables | 16 | 5,950.72 | 258.08 |
| (c) Cash and Bank Balances | 17 | 71.36 | 303.04 |
| (d) Short Term Loans and Advances | 18 | 1,535.70 | 4,106.68 |
| (e) Other Current Assets | 19 | 9.78 | 23.06 |
| Total | | 25,214.29 | 58,577.48 |

Significant Accounting Policies

1 & 2

See accompanying notes to financial statements

In terms of our report of even date

For S.S.KOTHARI MEHTA & CO.

Chartered Accountants

MEMBERSHIP NO. 000756N


K. K. TULSHAN

Partner

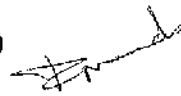
Membership No. 085033



For & on behalf of the Board


Satish K. Kaura
Chairman & Managing
Director


Ajit Singh
Director


Prabhat Kumar Nanda
Company Secretary

Place : New Delhi

Date: May 31, 2013

| SAMTEL COLOR LIMITED | | | |
|---|----------|-------------------------------------|-------------------------------------|
| Statement of Profit and Loss for the year ended 31st March, 2013 | | | |
| (Figures in ₹ lacs) | | | |
| Particulars | Note No. | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
| REVENUE | | | |
| Revenue from Operations (Gross) | 20 | 7,515.02 | 40,814.51 |
| Less: Excise Duty | | 847.68 | 3,865.53 |
| Revenue from Operations (Net) | | 6,667.34 | 36,948.98 |
| Other Income | 21 | 3,659.36 | 375.73 |
| Total Revenue | | 10,326.70 | 37,274.71 |
| EXPENSES | | | |
| Cost of Materials Consumed | 22 | 6,183.73 | 26,739.48 |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade | 23 | (134.86) | 939.62 |
| Employee Benefit Expenses | 24 | 4,790.50 | 8,140.42 |
| Financial Costs | 25 | 5,858.50 | 4,915.74 |
| Depreciation and Amortization Expenses | | 7,025.41 | 7,330.43 |
| Other Expenses | 26 | 3,776.33 | 9,076.58 |
| Total Expenses | | 27,499.61 | 57,142.27 |
| Profit/(Loss) Before Exceptional Items and Tax | | (17,172.91) | (19,867.56) |
| Exceptional Items: | | | |
| Impairment Loss in respect of retirement of Plant & Machinery and related Stores & Spares | 27 | 28,387.41 | 4,379.19 |
| Profit/(Loss) Before Tax | | (45,560.32) | (24,246.75) |
| Tax Expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Profit/(Loss) for the year | | (45,560.32) | (24,246.75) |
| Earnings per Equity Share of Face Value of ₹ 10 each | 29 | | |
| (1) Basic (in ₹) | | (54.47) | (29.27) |
| (2) Diluted (in ₹) | | (54.47) | (29.27) |

Significant Accounting Policies

1 & 2

See accompanying notes to financial statements

In terms of our report of even date

For S.S.KOTHARI MERTA & CO.

For & on behalf of the Board

Chartered Accountants

FRN: 000756N

K. K. TULSHAN

Partner

Membership No. 085033



Satish K. Kaura
Chairman & Managing
Director

Ajit Singh
Director

Prabhat Kumar Nanda
Company Secretary

Place : New Delhi

Date: May 31, 2013

Cash Flow Statement for the year ended 31st March, 2013

(Figures in ₹ lacs)

| Particulars | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|--|--|
| A. Cash Flow from Operating Activities: | | |
| Profit Before Tax After Prior Period Adjustments | (45,560.32) | (24,246.75) |
| Adjustment for : | | |
| - Depreciation / Amortisation | 7,025.41 | 7,330.43 |
| - Loss / (Gain) on Sale of Fixed Assets (net) | 1.01 | 3.22 |
| - Interest Expenses | 5,858.50 | 4,915.74 |
| - Interest Income | (32.69) | (61.66) |
| - Liabilities no longer required, Written Back | (3,283.87) | (124.59) |
| - Provision for Gratuity and Leave Encashment | 570.74 | (471.20) |
| - Provision for Wealth Tax | (0.10) | (0.55) |
| - Impairment Loss of Plant and Machinery and Spares | 28,387.41 | 4,379.19 |
| - Provision for Obsolete Inventory | 294.47 | 379.35 |
| - Provision for Diminution in Investments | 841.48 | 983.48 |
| - Provision for Doubtful Debts and Advances | - | 3.64 |
| - Provision for Warranty | - | 5.07 |
| Operating Profit Before Working Capital Changes | (5,897.96) | (6,904.63) |
| Adjustment for : | | |
| - Trade and Other Receivables | (5,692.64) | 2,348.68 |
| - Inventories | (423.04) | 2,608.39 |
| - Loans and Advances | 2,723.32 | 1,213.92 |
| - Trade and Other Payables | 16,276.26 | 6,899.14 |
| Cash Generated from Operations | 6,985.94 | 6,165.50 |
| Income Tax Paid | (41.53) | (7.10) |
| Total | 6,944.41 | 6,158.40 |
| B. Cash Flow from Investing Activities: | | |
| Additions to Fixed Assets / CWIP | - | 2.36 |
| Sale / Adjustment from Fixed Assets | 4.60 | 7.19 |
| Interest Received | 32.69 | 61.66 |
| Total | 37.29 | 71.21 |
| C. Cash Flow from Financing Activities: | | |
| Share Capital Issue Proceeds (Including Share Premium) | - | 69.07 |
| Proceeds/ (Repayments) of Long Term Borrowings (net) | (1,365.92) | (1,517.61) |
| Dividend and Dividend Tax Paid | 11.04 | 6.73 |
| Interest Paid | (5,858.50) | (4,782.35) |
| Total | (7,213.38) | (6,224.16) |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | (231.68) | 5.45 |
| Cash and Cash Equivalents as at 01-04-2012 (Opening Balance) | 303.04 | 297.59 |
| Cash and Cash Equivalents as at 31-03-2013 (Closing Balance) | 71.36 | 303.04 |

Note: (i) The aforesaid Cash Flow Statement has been prepared in consonance with the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statements.
(ii) Figures in brackets represent cash outflows.
(iii) Previous year figures have been regrouped/recast, wherever necessary, to conform to the current year's classification.

This is the Cash Flow Statement referred to in our report of even date

For and on behalf of the Board of Directors

For S. S. Kothari Mehta & Co.

Chartered Accountants

FRN 100756N

K.K. TULSHAN

Partner

Membership No. 085033

Place : New Delhi

Date: May 31, 2013



Satish K. Kaura

Satish K. Kaura
Chairman and Managing
Director

Ajit Singh

Ajit Singh
Director

Prabhat Kumar Nanda

Prabhat Kumar Nanda
Company Secretary

NOTE 1: OVERVIEW

The Company having its registered office at 6th floor, 7 TDI Centre, Distt. Centre – Jasola, New Delhi – 110 025, is engaged in the business of manufacturing of Color Picture Tubes for Color Televisions, Color Electron Guns and Deflection Yoke in its manufacturing facilities located at Ghaziabad, Distt. Gautam Buddh Nagar – (Uttar Pradesh), Kota – (Rajasthan) and Parwanoo, Distt. Solan – (Himachal Pradesh). The Company is listed on the National Stock Exchange of India and Bombay Stock Exchange of India.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

(A) Accounting Conventions

The financial statements are prepared under the historical cost convention on accrual, prudence and in accordance with the requirements of the Companies Act, 1956 and in compliance with the applicable accounting standards referred to in sub-section (3C) of the Section 211 of the said Act. The accounting policies have been consistently applied by the company.

All assets and liabilities have been classified as current & non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI of the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained 12 months period for the purpose of current & non-current classification of assets and liabilities being a period higher than the company's operating cycle.

Use of Estimates

The preparation of financial statements is in conformity with the Generally Accepted Accounting Principles (GAAP), which requires estimates and assumptions to be made that affect the reportable amount of assets and liabilities on the date of financial statements and the reportable amount of revenue and expenses during the reporting period. Difference between the actual results and estimates are recognized in the year in which the results are known /materialized.

(B) FIXED ASSETS

Tangible Assets

- i) Fixed assets (other than revalued Plant & Machinery) are stated at their original cost including freight, duties, taxes and other incidental expenses relating to acquisition and installation and are net of credit available under the Excise / Service Tax CENVAT Scheme and Value Added Tax (VAT) where applicable.
- ii) Plant and Machinery are stated at revalued amount ascertained by an independent professional valuer as at 1st October' 2010.
- iii) Pre-Operative expenditure including borrowing cost (net of revenue) incurred during the construction / trial run of projects is allocated on an appropriate basis to fixed assets on commissioning.



Intangible Assets

Intangible assets are recognized if:

- It is probable that the future economic benefits that are attributable to the assets will flow to the Company, and
- the cost / fair value (as determined by an independent valuer) of the assets can be measured reliably.

(C) DEPRECIATION/AMORTISATION

Fixed Assets:

Depreciation on all fixed assets (other than revalued Plant & Machinery) is charged on the straight line method on a pro-rata basis at the rates prescribed under Schedule XIV to the Companies Act, 1956, except for certain fixed assets provided to employees as per the terms of the employment and certain tools, which are depreciated over three to five years based on the useful life to the Company. Where there is a revision of the estimated useful life of an asset, the unamortized depreciable amount is charged over the revised remaining useful life (subject to minimum rates prescribed under Schedule XIV to the Companies Act, 1956).

In respect of revalued Plant and Machinery, the useful life is estimated between 6 years to 20 years, as certified by an independent professional valuer. Depreciation is computed on the revalued amount on remaining useful life of such assets.

Leasehold land is written-off proportionately over the lease period. Leasehold improvements are written off over the period of primary lease. Capital spares are amortized over the useful life of the principal item.

Intangible Assets:

Goodwill is amortized on a straight line basis over a period of five years.

"Technical Designs / Drawings" and "Software for Internal Use" are amortized on a straight line basis over the estimated useful life of the assets which are as under:

- Software for internal use - 3 years
- SAP ERP Package - 5 years
- Technical Designs / Drawings - Useful life of the related Plant and Machinery

(D) INVESTMENTS

Long term investments are stated at cost. However, when there is a decline, other than temporary, in the value of long term investment, an appropriate provision is made to recognize such decline. Current investments are valued at the lower of cost and fair value.



(E) INVENTORIES

Raw materials and components, stores and spares, loose tools, work-in-process and finished goods are valued at the lower of cost and net realizable value. Cost for this purpose is worked out on a moving weighted average basis. In case of finished goods and work-in-process, appropriate overheads are loaded on absorption costing basis.

Finished goods are stated inclusive of excise duty.

(F) RESEARCH AND DEVELOPMENT (R & D)

i) Revenue expenditure incurred for R & D is charged to the Statement of Profit and Loss.

ii) Fixed Assets purchased for R & D activities are capitalized in the year, the same are put to use.

(G) REVENUE

i) Sales are accounted when dispatched and are stated inclusive of excise duty and net of value added tax, sales tax, trade discount and sales return.

ii) Export incentives are accounted for on an accrual basis.

(H) POST EMPLOYMENT BENEFITS

The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.

The Company has taken group policies with the Life Insurance Corporation of India (LIC) to cover the liabilities towards the superannuation and gratuity benefits for certain categories of employees. Trustees have been appointed for the purpose of administering the superannuation and gratuity Funds. The Company makes provision for the liability for long term defined benefit schemes of gratuity and leave encashment for all its employees on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. The actuarial valuation of the liability towards gratuity is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contribution to LIC, discount rate, future salary increment. The Company recognizes the actuarial gains and losses in the Statement of Profit and Loss as income and expense, in the period in which they occur.

(I) FOREIGN CURRENCY TRANSACTIONS

i) Foreign currency transactions are accounted for at the exchange rate prevailing on the transaction date. Monetary assets and liabilities related to foreign currency transactions which remained unsettled at the end of the year are translated at year-end rates.

ii) The realized and unrealized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss. In case of forward contracts associated with underlying assets outstanding at the Balance Sheet date, the exchange differences on such contracts are recognized in the Statement of Profit and Loss in the reporting period. The premium or discount on all such contracts arising at the inception is amortized as income or expense over the life of the contract.



(J) BORROWING COSTS

- i) Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset till the date of start of commercial production.
- ii) Ancillary costs incurred in connection with the arrangement of borrowings are amortized over the period of the borrowing.
- iii) Other borrowing costs are recognized as an expense in the period in which they are incurred.

(K) LEASES

As Lessee:

Lease rentals in respect of assets taken on 'operating lease' are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

Finance lease transactions entered are considered as financing arrangements and the leased asset is capitalized at an amount equal to the present value of future lease payments and a corresponding amount is recognized as a liability. The lease payments made are apportioned between finance charge and reduction of outstanding liability in relation to leased asset.

(L) TAXES ON INCOME

Current Tax

Provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of Income Tax Act, 1961.

Deferred Tax

Deferred tax is recognized, subject to the consideration of prudence, as the tax effect of timing difference between the taxable income and accounting income computed for the current accounting year and reversal of earlier years' timing differences.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty, except arising from unabsorbed depreciation and carry forward losses which are recognized to the extent that there is virtual certainty, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(M) WARRANTY

Warranty cost is provided on the basis of average cost of warranty of finished goods lying with the Company at the year end and the estimated future claims expected to be received (based on past experience) within the warranty period.



(N) EMPLOYEE STOCK OPTION BASED COMPENSATION

Stock options granted to the employees who accepted the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999. The Company follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognized as employee compensation cost and amortized on straight line basis over the vesting period.

(O) IMPAIRMENT OF ASSETS

At each balance sheet date, the Company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the assets exceeds the recoverable amount, an impairment loss is recognized in the accounts to the extent the carrying amount exceeds the recoverable amount.

(P) EARNINGS PER SHARE (EPS)

The earnings considered in ascertaining the Company's EPS comprises the net profit after tax (and includes the post tax effect of any extra ordinary items) attributable to equity shareholders. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effect of potential dilutive equity shares.

(Q) PROVISIONS AND CONTINGENCIES

A provision is recognized when there is a present obligation, as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(R) CASH FLOW STATEMENT

Cash Flows are reported using the indirect method, whereby a profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, financing and investing activities of the company is segregated.



3 SHARE CAPITAL

| | As at 31st March, 2019 | (Figures in ₹ lacs) As at 31st March, 2012 |
|--|---------------------------|--|
| AUTHORISED | | |
| 17,49,90,000 nos. (Previous Year 12,79,90,000 nos.) Equity Shares of ₹ 10 each | 17,499.00 | 12,499.00 |
| 50,01,000 nos. (Previous Year 50,01,000 nos.) Redeemable Preference Shares of ₹ 100 each | 5,001.00 | 5,001.00 |
| | <u>17,500.00</u> | <u>17,500.00</u> |
| ISSUED | | |
| 8,54,98,597 nos. (Previous Year 8,54,98,597 nos.) Equity Shares of ₹ 10 each | 8,549.86 | 8,549.86 |
| 21,10,116 nos. (Previous Year 21,10,116 nos.) 6% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100 each | 2,110.12 | 2,110.12 |
| 9,69,163 nos. (Previous Year 9,69,163 nos.) 0% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100 each | 969.16 | 969.16 |
| | <u>11,629.14</u> | <u>11,629.14</u> |
| SUBSCRIBED AND FULLY PAID - UP | | |
| 8,54,98,597 nos.* (Previous Year 8,54,98,597 nos.) Equity Shares of ₹ 10 each fully paid-up | 8,549.86 | 8,549.86 |
| Add: Forfeited Equity Shares pending re-issuance 6,000 nos. Shares (Previous year 6,000 nos.) ₹ 5 paid-up | 0.30 | 0.30 |
| 21,10,116 nos. (Previous Year 21,10,116 nos.) 6% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100 each | 2,110.12 | 2,110.12 |
| 9,69,163 nos. (Previous Year 9,69,163 nos.) 0% Non Convertible Cumulative Redeemable Preference Shares of ₹ 100 each | 969.16 | 969.16 |
| Total Share Capital | <u>11,628.84</u> | <u>11,628.84</u> |

* Of the above, 8,94,000 nos. (Previous Year 8,94,000 nos.) Equity Shares of ₹ 10 each are held by Parmanand Capital India Pvt. Ltd., a Subsidiary Company.

a) Reconciliation of the number of Shares outstanding at the beginning and at the end of the reporting periods:

| | No. of Shares | No. of Shares |
|---|-------------------|-------------------|
| i) Equity Shares | | |
| Outstanding at the beginning of the year (including Half-filled Shares) | 85,498,597 | 85,498,597 |
| Add: Issued during the year | - | - |
| Less: Shares bought back | - | - |
| Outstanding at the end of year | <u>85,498,597</u> | <u>85,498,597</u> |
| ii) Preference Shares | | |
| 6% Non Convertible Cumulative Redeemable Preference Shares | | |
| Outstanding at the beginning of the year | 2,110,116 | 2,110,116 |
| Add: Issued during the year | - | - |
| Less: Shares bought back | - | - |
| Outstanding at the end of year | <u>2,110,116</u> | <u>2,110,116</u> |
| 0% Non Convertible Cumulative Redeemable Preference Shares | | |
| Outstanding at the beginning of the year | 969,163 | 969,163 |
| Add: Issued during the year | - | - |
| Less: Shares bought back | - | - |
| Outstanding at the end of year | <u>969,163</u> | <u>969,163</u> |

b) Rights, preferences and restrictions attached to Shares

The Company has only one class of Equity Shares having a par value of ₹ 10 per Share. Each Shareholder is eligible for one vote per Share held. The Company declares dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation, the Equity Shareholders are eligible to receive in proportion to their Shareholding, the assets of the Company remaining after distribution of preferential amount.

The Company has one class of 6% Non Convertible Cumulative Redeemable Preference Shares having a par value of ₹ 100 per Share. Each Shareholder (subject to section 87 of the Companies Act 1956 and CDR Scheme) is eligible for one vote per Share held on resolution placed before the Company which directly affect the rights attached to his Preference Shares, entitled to Preferential Dividend at a fixed rate. In the event of liquidation, the Preferential Shareholders are eligible to receive the remaining assets of the Company in proportion to their class of Shareholding. These Shares are redeemable in quarterly instalments commencing from June 2017 at a value of ₹ 527.52 lacs each.

The Company has one class of 0% Non Convertible Cumulative Redeemable Preference Shares having a par value of ₹ 100 per Share. Each Shareholder (subject to section 87 of the Companies Act 1956 and CDR scheme) is eligible for one vote per Share held on resolution placed before the Company which directly affect the rights attached to his Preference Shares. In the event of liquidation, the Preferential Shareholders are eligible to receive the remaining assets of the Company in proportion to their class of Shareholding. Among these, Shares amounting to ₹ 60.82 lacs were due for redemption of par in June 2011 & amounting to ₹ 209.14 lacs were due for redemption at par in September 2011.



c) Details of Shares held by Shareholders holding more than 5% of the aggregate Shares in the Company

Equity Shares:

| Name of the Shareholders | No. of Shares | % holding | No. of Shares | % holding |
|------------------------------|---------------|-----------|---------------|-----------|
| ICICI Bank Limited | 12,417,295 | 14.52% | 12,417,295 | 14.52% |
| Punjab National Bank | 6,714,777 | 7.85% | 6,714,777 | 7.85% |
| Export Import Bank of India | 4,841,615 | 5.85% | 4,841,615 | 5.85% |
| Surendh India Limited | 5,922,900 | 6.93% | 5,922,900 | 6.93% |
| Teletalk Electronics Limited | 9,018,006 | 10.55% | 9,018,006 | 10.55% |

8% Non Convertible Cumulative Redeemable Preference Shares:

| Name of the Shareholders | No. of Shares | % holding | No. of Shares | % holding |
|-----------------------------|---------------|-----------|---------------|-----------|
| Export Import Bank of India | 395,000 | 18.72% | 395,000 | 18.72% |
| Union Bank of India | 270,018 | 12.80% | 270,018 | 12.80% |
| ICICI Bank Limited | 1,001,627 | 47.46% | 1,001,627 | 47.46% |
| Wangda National Bank | 300,667 | 14.25% | 300,667 | 14.25% |
| Canara Bank | 142,804 | 6.77% | 142,804 | 6.77% |

0% Non Convertible Cumulative Redeemable Preference Shares:

| Name of the Shareholders | No. of Shares | % holding | No. of Shares | % holding |
|--------------------------|---------------|-----------|---------------|-----------|
| Axis Bank Limited | 472,845 | 48.88% | 472,845 | 48.88% |
| Syndicate Bank | 351,537 | 36.27% | 351,537 | 36.27% |
| State Bank of India | 143,780 | 14.84% | 143,780 | 14.84% |

d) Terms of Securities Convertible into Equity/ Preference Shares alongwith earliest conversion date

* The Company had received in 2010-11, ₹ 3,000 lacs against which 2,09,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of ₹ 10.00 each at a premium of ₹ 4.55 per Share to be issued to Promoters Group Company in terms of CDR scheme. These Warrants are convertible into Equity Shares on receipt of necessary approval from the stock exchanges which is pending for want of an undertaking from CDR lenders.

e) Forfeited Shares (amount originally paid up)

The Company has forfeited 5,000 number of Equity Shares having par value of ₹ 10 on which ₹ 5 was paid up. These Shares were forfeited on 23 July, 2012. These Shares are available for reissue.

4 RESERVES AND SURPLUS

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| a) Capital Reserve | | |
| As per last Financial Statements | 460.07 | 460.07 |
| Add: Additions during the year | - | - |
| Less: Deduction during the year | - | - |
| Closing Balance | 460.07 | 460.07 |
| b) Share Premium | | |
| As per last Financial Statements | 6,619.98 | 6,550.91 |
| Add: Additions during the year (refer note no. 13) | - | 69.07 |
| Less: Transferred during the year | - | - |
| Closing Balance | 6,619.98 | 6,619.98 |
| c) Investment Allowance (Utilised) Reserve | | |
| As per last Financial Statements | - | - |
| Add: Additions during the year | - | - |
| Less: Transferred to General Reserve | - | - |
| Closing Balance | - | - |
| d) General Reserve | | |
| As per last Financial Statements | - | - |
| Add: Transfer from Investment Allowance (Utilised) Reserve | - | - |
| Less: Transfer to Statement of Profit and Loss | - | - |
| Closing Balance | - | - |
| e) Surplus in Statement of Profit and Loss | | |
| As per last Financial Statements | (27,087.57) | (2,840.82) |
| Add: During the year | (45,560.32) | (24,246.75) |
| Add: Transfer from General Reserve | - | - |
| Net Surplus in the Statement of Profit and Loss | (72,647.89) | (77,087.57) |
| Total Reserves & Surplus | (65,567.84) | (20,007.52) |
| 5 Money received against Share Warrants* | 3,000.00 | 3,000.00 |

* The Company had received in 2010-11, ₹ 3,000 lacs against which 2,09,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of ₹ 10.00 each at a premium of ₹ 4.55 per Share to be issued to Promoters Group Company in terms of CDR scheme. These Warrants are convertible into Equity Shares on receipt of necessary approval from the stock exchanges which is pending for want of an undertaking from CDR lenders.



| | (Figures in ₹ lacs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2013 | As at 31st March, 2012 |
| 6 LONG-TERM BORROWINGS | | |
| a) Secured Long Term Borrowings (refer to note no. 6.A to 6.F below) | | |
| i) Bonds / Debentures | | |
| Zero Coupon Bond (Redeemable at premium of 150% in 2016-17 and 2017-18) | 1,055.01 | 1,055.01 |
| Zero Coupon Bond (Redeemable at par ₹ 434.63 lacs in 2017-18) | 484.63 | 484.63 |
| | 1,539.64 | 1,539.64 |
| ii) Term Loans | | |
| From Banks * | 23,752.11 | 23,695.75 |
| Others - from LIC of India | 494.72 | 494.72 |
| | 24,246.83 | 24,190.47 |
| iii) Long-Term Maturity of Finance Lease Obligation | | |
| iv) Less: Current portion of Long Term Borrowings | | |
| Current Maturities | (7,281.34) | (7,387.01) |
| Overdue Maturities | (10,287.42) | (6,890.84) |
| Secured Long-Term Borrowings | 13,217.93 | 15,452.46 |
| b) Unsecured Long Term Borrowings (refer to note no. 6.G to 6.I below) | | |
| i) Term Loans | | |
| From Banks (Foreign Currency Loan) | 63.00 | 59.24 |
| Others - from Centre for Scientific & Industrial Research | 2,328.00 | 2,328.00 |
| ii) Loans and Advances | | |
| From Related Parties | 244.48 | 244.48 |
| From Directors | 42.30 | 42.30 |
| Less: Current portion of Long Term Borrowings | | |
| Current Maturities | (205.40) | (205.30) |
| Overdue Maturities | (68.19) | (71.94) |
| Unsecured Long-Term Borrowings | 1,489.58 | 1,695.88 |
| Total Long-Term Borrowings | 14,707.51 | 17,148.34 |

* Includes Foreign Currency Loans of ₹ 918.21 lacs (Previous year ₹ 894.84 lacs)

6.A The Zero Coupon Bond, Term Loan from Bank and Financial Institution amounting to ₹ 25,884.22 lacs (Previous year ₹ 26,847.37 lacs), are secured as under:-

i) Hypothecation charge created / to be created over current and moveable assets and first charge over immovable properties, by way of deposit title deeds of the immovable properties (both owned and leased) of the Company on pari-passu basis in favour of 3I Infotech Trusteeship Services Limited (Security Trustee of CDR Lenders) pursuant to Corporate Debt Restructuring (CDR) scheme.

ii) Personal Guarantee of Mr. Satish K. Kaura, Chairman and Managing Director.

iii) Pledge of 2,26,77,186 nos. (Previous year 2,15,77,180 nos.) equity shares of Santei Glass Limited held by promoter Companies with 3I Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders).

iv) Pledge 15,00,000 nos. (Previous year 15,00,000 nos.) shares of Santei Glass Limited with 3I Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders) pending creation of security on the Kote leasehold land.

6.B Repay loan from ICICI Bank Limited towards Research and Development projects secured by way of exclusive charge on the specific assets used for the said projects for ₹ 232.84 lacs (Previous year ₹ 232.84 lacs) and personal guarantee of Mr. Satish K. Kaura, Chairman and Managing Director of the Company.

6.C Foreign Currency Loan from Citibank Limited secured by way of first pari-passu charge created on immovable property of the Company situated at Plot no. 2, Greater Noida Industrial Area, Greater Noida Nagar, U.P. for ₹ 159.00 lacs (Previous year ₹ 152.40 lacs).

6.D Terms of repayment of Secured Loans are as under: **

(Figures in ₹ lacs)

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|-----------------|--|---|------------------|
| | ZCB | Term Loan from Bank; (Varies from 8.75% to 11%) | Term Loan from Financial Institution (8%) | |
| Current Year | | | | |
| 2012-14 | - | 2,281.34 | - | 2,281.34 |
| 2014-15 | - | 1,877.78 | - | 1,877.78 |
| 2015-16 | - | 2,819.75 | - | 2,819.75 |
| 2016-17 | 211.00 | 5,764.34 | - | 5,975.34 |
| 2017-18 | 844.01 | 1,701.05 | - | 2,545.06 |
| Total | 1,055.01 | 14,464.26 | - | 15,499.27 |
| Previous Year | | | | |
| 2012-13 | - | 3,387.01 | - | 3,387.01 |
| 2013-14 | - | 2,281.34 | - | 2,281.34 |
| 2014-15 | - | 1,877.78 | - | 1,877.78 |
| 2015-16 | - | 2,819.75 | - | 2,819.75 |
| 2016-17 | 211.00 | 5,764.34 | - | 5,975.34 |
| 2017-18 | 844.01 | 1,954.24 | - | 2,798.25 |
| Total | 1,055.01 | 17,784.46 | - | 18,839.47 |



G.E Default in repayment of Secured Loan's principal amount **

(Figures in ₹ lacs)

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|---------------|--|--|------------------|
| | ZCR | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (9%) | |
| Current Year | | | | |
| March '11 | - | 27.84 | 73.64 | 101.48 |
| June '11 | 484.63 | 2,029.77 | 212.04 | 2,726.44 |
| August '11 | - | 22.34 | - | 22.34 |
| September '11 | - | 2,215.24 | 212.04 | 2,427.28 |
| October '11 | - | 17.50 | - | 17.50 |
| December '11 | - | 766.39 | - | 766.39 |
| February '12 | - | 17.50 | - | 17.50 |
| March '12 | - | 829.26 | - | 829.26 |
| May '12 | - | 17.50 | - | 17.50 |
| June '12 | - | 829.26 | - | 829.26 |
| August '12 | - | 17.50 | - | 17.50 |
| September '12 | - | 829.26 | - | 829.26 |
| November '12 | - | 17.50 | - | 17.50 |
| December '12 | - | 829.27 | - | 829.27 |
| February '13 | - | 17.50 | - | 17.50 |
| March '13 | - | 829.27 | - | 829.27 |
| Total | 484.63 | 9,207.85 | 494.72 | 10,287.20 |
| Previous Year | | | | |
| March '11 | - | 71.45 | 70.64 | 142.09 |
| June '11 | 484.63 | 2,025.65 | 212.04 | 2,722.32 |
| August '11 | - | 22.34 | - | 22.34 |
| September '11 | - | 2,211.17 | 212.01 | 2,423.18 |
| November '11 | - | 17.50 | - | 17.50 |
| December '11 | - | 766.30 | - | 766.30 |
| February '12 | - | 17.50 | - | 17.50 |
| March '12 | - | 829.26 | - | 829.26 |
| Total | 484.63 | 5,911.20 | 484.72 | 6,890.61 |

G.F Default in repayment of interest on Secured Loans - (included in note no. 10) **

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|---|---------------|--|--|-----------------|
| | ZCR | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (9% and 10%) | |
| Current Year | | | | |
| May '11 | - | 0.56 | - | 0.56 |
| June '11 | - | 1.17 | - | 1.17 |
| July '11 | - | 107.21 | - | 107.21 |
| August '11 | - | 107.21 | - | 107.21 |
| September '11 | - | 144.18 | - | 144.18 |
| October '11 | - | 144.18 | - | 144.18 |
| November '11 | - | 144.18 | - | 144.18 |
| December '11 | - | 144.18 | - | 144.18 |
| January '12 | - | 154.21 | - | 154.21 |
| February '12 | - | 154.21 | - | 154.21 |
| March '12 | - | 154.21 | - | 154.21 |
| April '12 | - | 198.49 | 4.12 | 202.61 |
| May '12 | - | 198.49 | 4.12 | 202.61 |
| June '12 | - | 198.49 | 4.12 | 202.61 |
| July '12 | - | 198.49 | 4.12 | 202.61 |
| August '12 | - | 198.49 | 4.12 | 202.61 |
| September '12 | - | 198.49 | 4.12 | 202.61 |
| October '12 | - | 198.49 | 4.12 | 202.61 |
| November '12 | - | 198.49 | 4.12 | 202.61 |
| December '12 | - | 198.49 | 4.12 | 202.61 |
| January '13 | - | 198.49 | 4.12 | 202.61 |
| February '13 | - | 198.49 | 4.12 | 202.61 |
| March '13 | - | 215.46 | 4.12 | 219.58 |
| Total | - | 3,655.28 | 49.36 | 3,704.64 |
| Provision for Penal Interest - rate of interest | - | 7% | 2% and 12% | - |
| Upto 31st March 2012 | - | 942.85 | 40.44 | 983.29 |
| 1st April 2012 to 31st March 2013 | - | 177.88 | 9.90 | 187.78 |
| Total | - | 570.73 | 50.34 | 621.07 |
| Grand Total | - | 4,175.51 | 99.70 | 4,275.21 |
| Previous Year | | | | |
| May '11 | - | 0.56 | - | 0.56 |
| June '11 | - | 1.17 | - | 1.17 |
| July '11 | - | 107.21 | - | 107.21 |
| August '11 | - | 107.21 | - | 107.21 |
| September '11 | - | 144.18 | - | 144.18 |
| October '11 | - | 144.18 | - | 144.18 |
| November '11 | - | 144.18 | - | 144.18 |
| December '11 | - | 144.18 | - | 144.18 |
| January '12 | - | 154.21 | - | 154.21 |
| February '12 | - | 154.21 | - | 154.21 |
| March '12 | - | 154.21 | - | 154.21 |
| Total | - | 1,245.47 | - | 1,245.47 |
| Provision for Penal Interest - rate of interest | - | 7% | 12% | - |
| Upto 31st March 2012 | - | 372.35 | 40.44 | 412.79 |
| Grand Total | - | 1,587.82 | 40.44 | 1,628.26 |



6.G Terms of repayment of Unsecured Loans are as under: **

(Figures in ₹ lacs)

| Financial Year/ Rate of Interest | Term Loan from Foreign Bank | Term Loan from Others (3%) | Loans from Related Parties (8% and 9%) | Total |
|----------------------------------|-----------------------------|----------------------------|--|-----------------|
| Current Year | | | | |
| 2013-14 | - | 205.30 | - | 205.30 |
| 2014-15 | - | 205.30 | - | 205.30 |
| 2015-16 | - | 205.30 | - | 205.30 |
| 2016-17 | - | 205.30 | - | 205.30 |
| 2017-18 | - | 205.30 | - | 205.30 |
| 2018-19 | - | 205.30 | - | 205.30 |
| 2019-20 | - | 171.30 | 286.78 | 458.08 |
| Total | - | 1,019.10 | 286.78 | 1,305.88 |
| Previous Year | | | | |
| 2012-13 | - | 206.30 | - | 206.30 |
| 2013-14 | - | 206.30 | - | 206.30 |
| 2014-15 | - | 206.30 | - | 206.30 |
| 2015-16 | - | 206.30 | - | 206.30 |
| 2016-17 | - | 206.30 | - | 206.30 |
| 2017-18 | - | 206.30 | - | 206.30 |
| 2018-19 | - | 206.30 | - | 206.30 |
| 2019-20 | - | 171.30 | 286.78 | 458.08 |
| Total | - | 1,615.40 | 286.78 | 1,902.18 |

6.H Default in repayment of Unsecured term's principal amount **

| | | | | |
|----------------------|--------------|---------------|---|---------------|
| Current Year | | | | |
| October'10 | - | 206.30 | - | 206.30 |
| October'11 | 31.54 | 206.30 | - | 237.84 |
| March'12 | 31.55 | - | - | 63.10 |
| October'12 | - | 206.30 | - | 206.30 |
| Total | 63.09 | 618.90 | - | 681.99 |
| Previous Year | | | | |
| October'10 | - | 205.30 | - | 205.30 |
| October'11 | 29.67 | 205.30 | - | 234.97 |
| March'12 | 29.67 | - | - | 59.34 |
| Total | 59.34 | 410.60 | - | 470.94 |

6.I Default in repayment of interest on Unsecured Loans - (included in note no. 10) **

| | | | | |
|--|-------------|---------------|--------------|---------------|
| Current Year | | | | |
| October'10 | - | 202.56 | - | 202.56 |
| October'11 | - | 56.41 | - | 56.41 |
| March'12 | - | 45.56 | 22.94 | 68.50 |
| October'12 | - | 45.49 | - | 45.49 |
| March'13 | 5.31 | 25.55 | 22.94 | 53.80 |
| Total | 5.31 | 369.57 | 45.88 | 420.76 |
| Provision for Penal Interest - rate of interest Upto 31st March 2012 | 1.51 | 37.18 | - | 38.69 |
| 21st April 2012 to 31st March 2013 | 1.76 | 44.82 | - | 46.58 |
| Total | 2.77 | 82.00 | - | 84.77 |
| Grand Total | 9.08 | 447.37 | 45.88 | 502.33 |
| Previous Year | | | | |
| October'10 | - | 202.55 | - | 202.55 |
| October'11 | - | 56.41 | - | 56.41 |
| March'12 | - | 45.56 | 22.94 | 68.50 |
| Total | - | 304.53 | 22.94 | 327.47 |
| Provision for Penal Interest - rate of interest Upto 31st March 2012 | 1.51 | 37.18 | - | 38.69 |
| Grand Total | 1.51 | 341.71 | 22.94 | 364.16 |

** Previous year's figures have been changed only due to impact of forex fluctuation in respect of foreign currency loans



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | (Figures in ₹ lacs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2013 | As at 31st March, 2012 |
| 7 LONG-TERM PROVISIONS | | |
| Provision for Employee Benefits (refer note no. 31) | | |
| Leave Encashment | 120.86 | 255.75 |
| Gratuity | 1,702.96 | 996.82 |
| Total Long Term Provisions | 1,823.32 | 1,252.57 |
| 8 SHORT-TERM BORROWINGS | | |
| a) Secured Short-Term Borrowings | | |
| Loans Repayable on Demand | | |
| From Banks (refer note 8.A and 8.B) | 15,070.12 | 14,023.21 |
| Secured Short Term Borrowings | 15,070.12 | 14,023.21 |
| b) Unsecured Short-Term Borrowings | | |
| Loans Repayable on Demand | | |
| From Banks | - | - |
| Others - Clean bills payable (refer note 8.C) | 494.08 | 494.08 |
| From Director | 78.00 | - |
| Unsecured Short Term Borrowings | 522.08 | 494.08 |
| Total Short Term Borrowings | 15,592.20 | 14,517.29 |

8.A Loans (against devolved Letter of Credits, which includes interest amount debited by one of the bank) of ₹ 15,070.12 lacs (Previous year ₹ 14,023.21 lacs) are secured as under:-

Hypothecation charge is created / to be created over current and moveable assets and first charge over immoveable properties, by way of deposit title deeds of the immoveable properties (both present and future) of the Company on pari-passu basis in favour of 3i Infotech Trusteeship Services Limited (Security Trustee of CDR Lenders) pursuant to Corporate Debt Restructuring (CDR) scheme.

Personal Guarantee of Mr. Satish K. Kaura, Chairman and Managing Director.

Pledge of 2,26,77,186 nos. (Previous year 2,26,77,186 nos.) equity shares of Samtel Color Limited held by promoter Companies with 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders).

Pledge 15,00,000 nos. (Previous year 15,00,000 nos.) shares of Samtel Glass Limited with 3i Infotech Trusteeship Services Limited (Security Trustee on behalf of CDR Lenders) pending creation of security on the Kota leasehold land.

8.B Terms of Repayment of secured loan, defaults in repayment of loan amount, interest and rate of interest thereon :

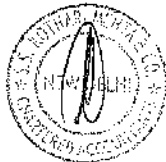
The loans from Banks amounting to ₹ 15,070.12 lacs (Previous year ₹ 14,023.21 lacs) were due for payment upto 2012-13.

The rate of interest thereon varies from 4 % to 12 %. The amount of interest due upto 31.3.2013 but not paid is ₹ 2,270.92 lacs (Previous year ₹ 582.91 lacs) - included in note no. 10.

8.C Terms of Repayment of unsecured loan, defaults in repayment of loan amount, interest and rate of interest thereon :

The loans amounting to ₹ 494.08 lacs (Previous year ₹ 494.08 lacs) were due for payment upto 2012 - 13. The rate of interest is 12 %.

The amount of interest due upto 31.3.2013 but not paid is ₹ 93.16 lacs (Previous year ₹ 33.84 lacs) - included in note no. 10.



SAMEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | (Figures in ₹ lacs) | |
|--|---------------------|------------------|
| | As at | As at |
| | 31st March, 2013 | 31st March, 2012 |
| 9 TRADE PAYABLES | | |
| Outstanding dues of Micro, Small and Medium Enterprises ** | 230.25 | 720.86 |
| Outstanding dues of creditors other than Micro, Small and Medium Enterprises | 12,166.48 | 7,356.65 |
| Total Trade Payables | 12,396.73 | 7,577.51 |

** As certified by the management based on the information provided by the Creditors (refer note no. 33)

| | | |
|---|------------------|------------------|
| 10 OTHER CURRENT LIABILITIES | | |
| a) Current Maturities of Long Term Debts | 13,456.83 | 10,955.89 |
| b) Interest Accrued but not due on Borrowings | 989.44 | 821.18 |
| c) Interest Accrued and due | 7,141.72 | 2,611.17 |
| d) Investor's Education & Protection Fund | | |
| Unpaid Dividend | | 11.04 |
| e) Other Payables | | |
| Payable to Employees | 3,538.56 | 2,464.85 |
| Statutory Dues | 1,509.23 | 1,082.02 |
| Advance from Customers and Dealers | 1,299.30 | 1,400.14 |
| Security Deposits and Advances | 31.87 | 32.83 |
| Creditors for Expenses | 3,355.06 | 3,846.55 |
| Total Other Current Liabilities | 31,322.01 | 23,235.67 |

| | | |
|--|---------------|---------------|
| 11 SHORT TERM PROVISIONS | | |
| a) Provision for Employee Benefits (refer note no. 31) | | |
| Leave Encashment | -13.71 | 29.13 |
| Gratuity | 275.21 | 161.09 |
| b) Other Provisions | | |
| Provision for Taxation-Wealth Tax | 0.15 | 0.25 |
| Provision for Warranty | | |
| Opening Balance | 34.31 | 29.24 |
| Add : Provisions made during the year | 19.87 | 7.59 |
| Less : Provisions utilised / reversed during the year | 31.68 | 2.52 |
| Closing Balance | 22.45 | 34.31 |
| Total Short Term Provisions | 311.52 | 224.78 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

| | As at 31st March, 2013 | (Figures in ₹ lacs) As at 31st March, 2012 |
|---|---------------------------|--|
| 13 NON-CURRENT INVESTMENTS | | |
| i) Trade Investments | | |
| A) QUOTED EQUITY SHARES | | |
| Fully paid up Equity Shares of Samtel India Limited 13,36,812 nos. (Previous year 13,36,812 nos.) Equity Shares of ₹ 10 each | 295.20 | 295.20 |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | (284.58) | (241.73) |
| | 10.62 | 53.47 |
| B) UNQUOTED EQUITY SHARES | | |
| Fully paid up Equity Shares of Samtel Glass Limited *@ 2,33,30,000 nos. (Previous year 2,33,30,000 nos.) Equity Shares of ₹ 10 each | 2,790.87 | 2,790.87 |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | (1,540.38) | (741.75) |
| | 1,250.49 | 2,049.12 |
| Total Non-Current Trade Investment | 1,261.11 | 2,102.59 |
| ii) Other Investments | | |
| A) UNQUOTED EQUITY SHARES | | |
| Equity Shares of Coromandal Stamp Ltd. 40,000 nos. (Previous year 40,000 nos.) Equity Shares of ₹ 10 each | 4.00 | 4.00 |
| Equity Shares of Dolsun Containers (Pvt.) Ltd. 64,000 nos. (Previous year 64,000 nos.) Equity Shares of ₹ 10 each | 6.40 | 6.40 |
| | 10.40 | 10.40 |
| B) UNQUOTED FULLY PAID-UP EQUITY SHARES OF SUBSIDIARY COMPANIES | | |
| Equity Shares of Paramount Capfin Lease (Pvt.) Ltd. 20,00,000 nos. (Previous year 20,00,000 nos.) Equity Shares ₹ 10 each | 199.98 | 199.98 |
| Equity Shares of Bluebell Trade Links (Pvt.) Ltd. 45,560 nos. (Previous year 45,560 nos.) Equity Shares of ₹ 10 each | 4.54 | 4.54 |
| | 204.52 | 204.52 |
| Total Non-Current Other Investment | 214.92 | 214.92 |
| Total Non-Current Investment | 1,476.03 | 2,317.51 |
| Aggregate Book value of Quoted Investments | 295.20 | 295.20 |
| Market Value of Quoted Investments | 33.29 | 80.08 |
| Aggregate Book Value of Unquoted Investments | 1,465.41 | 2,264.04 |
| Aggregate Provision for Diminution in Value of Investment | 1,824.96 | 983.48 |
| * The Company has furnished undertakings for non-disposal of its investment in Samtel Glass Limited (SGL) to Industrial Finance Corporation of India and ICICI Limited on behalf of Samtel Glass Limited for the purpose of securing a Foreign Currency loan for Samtel Glass Limited and subscription to Equity Capital of Samtel Glass Limited. | | |
| @ The Company has pledged 15,00,000 nos. Shares (Previous year 15,00,000 nos.) of Samtel Glass Limited with CDR lenders pending creation of security on the Kota Leaschold Land. | | |
| 14 LONG TERM LOANS & ADVANCES | | |
| A) Unsecured, Considered Good | | |
| Security Deposits | 343.09 | 451.66 |
| Total Long Term Loans & Advances | 343.09 | 451.66 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in ₹ lacs)

| | As at 31st March, 2013 | As at 31st March, 2012 |
|--|---------------------------|---------------------------|
| 15 INVENTORIES | | |
| (as taken, valued and verified by management) | | |
| a) Raw Materials | | |
| Raw Materials at Site * | 699.17 | 713.22 |
| Goods In Transit | - | 21.63 |
| b) Work-in-Process ** | 425.33 | 284.50 |
| c) Finished Goods | 82.27 | 88.59 |
| d) Stores & Spares | 363.52 | 714.13 |
| Total Inventories | 1,570.29 | 1,852.07 |
| * Includes inventory amounting to ₹ 311.90 lacs (Previous year ₹ 311.90 lacs) attached by excise department against their recovery of excise duty from Picture Tube Plant, Village Chappraula, Gautam Budh Nagar. | | |
| ** Includes inventory amounting to ₹ 55.22 lacs (Previous year ₹ Nil) attached by excise department against their recovery of excise duty from Color Electron Gun Plant, Meerut Road, Ghaziabad. | | |
| 16 TRADE RECEIVABLES | | |
| Unsecured | | |
| Exceeding six months | | |
| Accounts Receivable | | |
| Considered Good | - | - |
| Considered Doubtful | 489.33 | 489.33 |
| Less: Provision for Bad and Doubtful Debts | (489.33) | (489.33) |
| Others | | |
| Considered Good | 5,950.72 | 258.08 |
| Total Trade Receivable | 5,950.72 | 258.08 |
| 17 CASH & BANK BALANCES | | |
| a) Cash & Cash Equivalents | | |
| Cash on Hand | 5.79 | 4.21 |
| Bank Balances in Current Accounts | 35.57 | 32.12 |
| b) Other Bank Balances | | |
| i) Banks with Earmarked Balances | | |
| Earmarked for Unpaid Dividend | - | 11.04 |
| Earmarked Fixed Deposit # | 30.00 | 30.00 |
| ii) Banks Deposits | | |
| Deposits with original Maturity upto Twelve Months @ | - | 225.67 |
| Total Cash & Bank Balances | 71.36 | 303.04 |
| # As per the direction of the High Court in connection with legal case by one of the supplier, the Company has given security by way of fixed deposit which will be continued till the case is settled by the court. | | |
| @ Bank deposits held as margin money amounting to ₹ Nil (Previous year ₹ 128.23 lacs) given to Dolsun Containers Private Limited against Letter of Credit and ₹ Nil (Previous year ₹ 97.44 lacs) against Bank Guarantees given to various statutory authorities. | | |
| 18 SHORT TERM LOANS & ADVANCES | | |
| a) Loans and Advances to Related Parties | | |
| Unsecured, Considered Good | 687.09 | 3,343.48 |
| b) Loans and Advances to Others | | |
| Unsecured, Considered Good | 112.89 | 342.08 |
| Doubtful | 455.74 | 46.01 |
| Less: Provision for Doubtful Advances | (455.74) | (46.01) |
| c) Security Deposit | 118.57 | 18.22 |
| d) Other Loans and Advances | | |
| Balances with Statutory/Government Authorities | 543.34 | 370.62 |
| Advance Income Tax / TDS | 73.81 | 32.28 |
| Total Short Term Loans & Advances | 1,535.70 | 4,106.68 |
| 19 OTHER CURRENT ASSETS | | |
| Pre-Paid Expenses | 9.78 | 23.06 |
| Total Other Current Assets | 9.78 | 23.06 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in ₹ lacs)

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|--|--|--|
| 20 REVENUE FROM OPERATIONS (Refer note no. 47) | | |
| a) Sale of Products | | |
| Finished Goods | 8,316.98 | 46,801.66 |
| Less: Inter-Division Transfer | 844.76 | 6,433.85 |
| | 7,472.22 | 40,367.77 |
| b) Other Operating Revenues | | |
| Scrap Sale | 47.80 | 394.73 |
| Export Incentives | | 52.01 |
| | 42.80 | 446.74 |
| Total Revenue from Operations | 7,515.02 | 40,814.51 |
| Less-Excise Duty | 847.68 | 3,855.53 |
| Net Revenue from Operations | 6,667.34 | 36,948.98 |
| 21 OTHER INCOME | | |
| a) Interest Income | 32.69 | 61.66 |
| b) Other Non Operating Income | | |
| Profit on Sale / Transfer of Fixed Assets | 1.67 | 3.22 |
| Commission Received | 340.00 | - |
| Liability / Provisions no Longer Required, Written Back (Refer note no. 44) | 3,283.87 | 124.59 |
| Others | 1.13 | 136.26 |
| Total Other Income | 3,659.36 | 325.73 |
| 22 COST OF MATERIALS CONSUMED (Refer note no. 47) | | |
| Raw Material Consumed | 6,183.73 | 26,739.48 |
| Total Cost of Material Consumed | 6,183.73 | 26,739.48 |
| 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE (Refer note no. 47) | | |
| Opening Stock - Finished Goods | 88.59 | 794.75 |
| - Work in Process | 284.50 | 580.55 |
| | 373.09 | 1,375.30 |
| Closing Stock - Finished Goods | 82.27 | 88.59 |
| - Work in Process | 425.33 | 284.50 |
| | 507.60 | 373.09 |
| NET (INCREASE)/DECREASE IN STOCK | (134.51) | 1,002.21 |
| Excise Duty on account of increase/(decrease) on Stock of Finished Goods | (0.35) | (62.59) |
| Total (Increase)/Decrease in Stock | (134.86) | 939.62 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in ₹ lacs)

| | For the year ended 31st March, 2013 | For the year ended 31st March, 2012 |
|---|--|--|
| 24 EMPLOYEE BENEFIT EXPENSES | | |
| a) Salaries and Wages (Refer note no. 45) | 4,273.30 | 6,975.01 |
| b) Contribution to Provident and Other Funds | 476.98 | 863.43 |
| c) Staff Welfare Expenses | 40.22 | 301.98 |
| Total Employee Benefit Expenses | 4,790.50 | 8,140.42 |
| 25 FINANCE COST | | |
| a) Interest Expense | | |
| Term Loan and Bonds | 3,186.86 | 2,341.38 |
| Others | 2,611.53 | 2,440.97 |
| b) Loss on Foreign Currency Translation | 60.11 | 133.39 |
| Total Finance Cost | 5,858.50 | 4,915.74 |
| 26 OTHER EXPENSES | | |
| a) Consumption of Stores and Spares | 284.57 | 954.48 |
| b) Consumption of Power and fuel | 1,585.24 | 4,561.42 |
| c) Selling Expenses | 8.34 | 444.32 |
| d) Repair and Maintenance | | |
| -Plant and Machinery | 47.40 | 191.22 |
| -Building | - | 4.16 |
| -Others | 27.70 | 75.85 |
| e) Rent | 713.37 | 713.69 |
| f) Rates and Taxes | 17.78 | 40.52 |
| g) Insurance | 41.45 | 109.78 |
| h) Legal and Professional Expenses | 118.73 | 730.47 |
| i) Tours and Traveling Expenses | 112.75 | 236.96 |
| j) Payment to Statutory Auditors: | | |
| -Audit Fees | 7.00 | 14.00 |
| -Other Services (Certification Fees & Limited Review) | 3.00 | 6.00 |
| -Reimbursement of Expenses | - | 0.54 |
| k) Loss on Foreign Currency Fluctuation (net) | 113.34 | 288.35 |
| l) Miscellaneous Expenses | 64.71 | 338.40 |
| m) Provision for Doubtful Debts / Advances | - | 3.64 |
| n) Provision for Inventory Obsolescence | 294.47 | 379.35 |
| o) Provision for Diminution in Investment | 841.48 | 983.48 |
| Total Other Expenses | 3,776.33 | 9,076.58 |
| 27 IMPAIRMENT LOSS (Refer note no. 38 (b)) | | |
| a) Impairment of Plant and Machinery | 27,977.06 | 3,866.91 |
| b) Impairment of Stores and Spares related to above | 410.35 | 512.28 |
| Total Impairment Loss | 28,387.41 | 4,379.19 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

28. CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent Liabilities not provided for in respect of:

(₹ in lacs)

| Description | Current Year | Previous Year |
|---|--------------|---------------|
| a) Guarantees issued by the Company's Bankers on behalf of the Company for which counter guarantees have been given by the Company* | 327.25 | 337.25 |
| b) Claims against the Company not acknowledged as debts: Demands from Government authorities, being contested by the Company | | |
| Income Tax Matters | 445.12 | 200.09 |
| Sales Tax Matters | 584.42 | 584.42 |
| Excise Duty and Service Tax Matters | 2,756.41 | 2,706.41 |
| UPSEB claims | 61.75 | 61.75 |
| EOU de-bonding | 758.80 | 758.80 |
| Others | 158.92 | 184.00 |
| Transfer charges demanded by Himachal Pradesh Housing Board on account of erstwhile merger of M/s Samtel Electron Devices, Parwanoo with M/s Samtel Color Limited | 113.00 | 113.00 |
| Differential stamp duty on account of construction of building on the leasehold land of M/s Samtel Glass Limited (Formerly known as Samcor Glass Limited) | 187.00 | 187.00 |
| Customs authorities demand on the account of fraudulent DEBP claimed another party and subsequently purchase by the Company for bonafide consideration | 38.64 | 38.64 |
| Labour Cases, being contested by the Company | 232.51 | 232.51 |
| Dividend in arrears contested for 8% Non-convertible Cumulative Redeemable Preference Shares. | 1,011.34 | 773.61 |
| c) Irrevocable Corporate Guarantees issued by the Company in favour of Bank, on account of financial assistance availed by a Group Company : | | |
| M/s Samtel Electron Devices GmbH (**) | 1,390.88 | 1,365.81 |

Note : Besides the above, the Company has received notices from the Bank towards non - deposition of their dues by the employees of the Company in regard to loans taken by them. The Company was required to deduct and deposit corresponding bank installment from the monthly disbursement of salary to the employees. The exact amount of outstanding loans, payable by the employees, can be ascertained only on receipt of all the notices from the bank. The liability of the Company is limited only to the extent of terminal benefits of the employees, provided in the books, as and when it will be paid by the Company.

ii. Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

(*) Includes Bank Guarantee of ₹ 227.25 lacs (Previous year ₹ 227.25 lacs) given to M/s Samsung C & T Corporation - Korea, which has been devolved by the Bank during the year. The outstanding balance to the party, as per books, is ₹ 1,233.24 lacs. The actual amount can be determined on receipt of confirmation from the party.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

(**) Secured by way of charge created / to be on immovable properties and by the way of hypothecation of all movable properties of the Company, save and except book debts, both present and future on first pari-passu basis. The change in amount is only due to reinstatement of foreign currency (Euro). During the year, the Foreign Bank has invoked the Bank Guarantee given by ICICI Bank Limited and a legal notice has been issued by the ICICI Bank Limited to the Company to this effect.

The amount shown in item (i) above represent guarantees given in the normal course of the Company operation and are not expected to result in any loss to the Company on the basis of the beneficiaries fulfilling their ordinary commercial obligations.

The amount in the item (i) above represents in the best possible estimates arrived at on the basis of available Explanation. The uncertainties and the possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore, cannot be predicted accurately. The Company engages reputed professional advisor to protect its interests and has been advised that it has strong legal position against such disputes.

29. EARNING PER SHARE (EPS)

The following table reconciles the numerators and denominators used to calculate Basic and Diluted Earnings Per Share for the year ended March 31, 2013 and year ended March 31, 2012:

(₹ in lacs)

| Particulars | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|--|----------------------------------|----------------------------------|
| Income available to Equity Shareholders | | |
| Net Profit | (45,560.32) | (24,246.75) |
| Dividend on Preference Share and Tax thereon | (1,011.34) | (773.61) |
| Diluted Income / (Loss) available to Equity Shareholders | (46,571.66) | (25,020.36) |
| Number of Shares at the beginning of the year | 8,54,92,597 | 8,54,92,597 |
| Corporate Guarantee given by the Company (having optional right of conversion into Equity) (no. of Shares) | 8,58,56,543 | 3,79,66,833 |
| Advance Subscriptions (Warrants having optional rights of Conversion into Equity) (no. of Shares) | 2,06,18,557 | 2,06,18,557 |
| Diluted Weighted average Shares outstanding (no. of Shares) | 19,19,67,697 | 14,40,77,987 |
| Nominal value per Equity Share (₹ per Share) | 10.00 | 10.00 |
| Basic Earnings per Share (₹ per Share) | (54.47) | (29.27) |
| Diluted Earnings per Share (₹ per Share) | (54.47) | (29.27) |



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2013

30. Pursuant to the Employee Stock Option Scheme established by the Company on 16th July 2001, the Company has granted 5,33,569 share options to the eligible employees till 31st March 2013. Each option entitles the eligible employees to apply for and be issued one equity share. The shares, under these share options, will be issued at a price being the closing price at Bombay Stock Exchange on the date of grant of stock options. The vesting period for the share options varies over a period of thirty six months.

Details of the total number of share options granted and shares issued against the same are summarized below:

| Date of Option | Number of Options Granted | @ ₹ per Share | Number of Shares issued | Number of Options elapsed | Balance options to be exercised | Share premium account (₹ in lacs) |
|----------------|---------------------------|---------------|-------------------------|---------------------------|---------------------------------|-----------------------------------|
| 16.07.2001 | 35,945 | 16.50 | 24,026 | 11,919 | - | 1.56 |
| 23.10.2001 | 34,884 | 15.00 | 28,164 | 6,720 | - | 1.41 |
| 29.05.2002 | 159,523 | 33.25 | 81,752 | 77,771 | - | 19.01 |
| 16.05.2003 | 72,027 | 25.00 | 61,517 | 10,510 | - | 9.23 |
| 17.05.2004 | 37,797 | 40.05 | 18,072 | 19,725 | - | 5.43 |
| 09.05.2005 | 8,978 | 104.60 | - | 8,928 | - | - |
| 16.05.2005 | 15,440 | 118.85 | - | 15,440 | - | - |
| 19.05.2006 | 29,342 | 52.45 | - | 29,342 | - | - |
| 21.06.2006 | 3,117 | 34.65 | - | 3,117 | - | - |
| 25.06.2007 | 85,485 | 14.95 | 14,247 | 71,238 | - | 0.70 |
| 29.05.2008 | 51,081 | 17.30 | - | 51,081 | - | - |
| Total | 533,569 | | 227,778 | 305,791 | - | 37.34 |

31. POST EMPLOYEES BENEFITS

In accordance with the adoption of Accounting Standard -15 (Revised 2005) on "Employee benefits" the Company has accounted for the long term benefits and contribution schemes as under :

(a) Defined Benefit Schemes:

The Company provides for long term defined benefit schemes of Gratuity and leave encashment on the basis of actuarial valuation on the balance sheet based on the Projected Unit Credit method. In respect of Gratuity, the Company funds the benefits through annual contributions to Life Insurance Corporation of India (LIC) for certain categories of employees. The actuarial valuation of the liability towards the Retirement benefits of the employees is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of the interest rate of earnings on the contribution to LIC. The Company recognises the actuarial gains and losses in the Profit & Loss Statement as income and the expenses in the period in which they occur.

Since the operations at all the manufacturing facilities were suspended during the year, the actuarial valuation in respect of long term defined benefits i.e. Gratuity and leave encashment were not done at the end of the year. The expenses have been booked on the basis of actual liability.

As a result of change in the policy as mentioned above, as on 31.03.2013, in respect of gratuity, the Company has accumulated liability of ₹ 1,978.17 lacs against funded assets of ₹ Nil (Previous year as on 31.03.2012, the Company had accumulated liability of ₹ 1,537.84 lacs against funded assets of ₹ 379.91 lacs). While in respect of leave encashment, as on 31.03.2013, the Company has accumulated liability of ₹ 134.06 lacs (Previous year as on 31.03.2012, the Company had accumulated liability of ₹ 245.60 lacs).



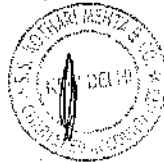
SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

In absence of actuarial valuation in the current year, the reconciliation of opening and closing balances of the present value of the defined benefit obligation can only be provided for the previous year, which is mentioned below:

| Particulars | Gratuity | (₹ in lacs) | | |
|---|----------|--------------------------------|------------|----------|
| | | Leave Encashment / Compensated | | |
| | | a | b | c |
| | | Vested | Non-Vested | Total |
| Changes in the Present Value : | | | | |
| Obligations at year beginning | 1,838.35 | 276.56 | 54.19 | 330.75 |
| Service Cost – Current | 106.25 | 23.44 | 3.27 | 26.71 |
| Interest Cost | 156.26 | 23.51 | 4.61 | 28.12 |
| Actuarial (Gain) / Loss | (429.13) | (77.91) | (22.78) | (100.69) |
| Benefit Paid | (133.89) | - | - | - |
| Obligations at year end | 1,537.84 | 245.60 | 39.29 | 284.89 |
| Change in plan Assets : | | | | |
| Plan assets at year beginning, at fair value | 346.53 | - | - | - |
| Expected return on plan assets | 32.57 | - | - | - |
| Actuarial Gain / (Loss) | 4.02 | - | - | - |
| Contributions | 130.68 | | | |
| Benefits paid | (133.89) | | | |
| Plan assets at year end, at fair value | 379.91 | | | |
| Reconciliation of present value of the obligation and the fair value of the plan assets : | | | | |
| Present value of the defined benefit obligations at the end of the year | 1,537.84 | 245.60 | 39.29 | 284.89 |
| Fair value of the plan assets at the end of the year | 379.91 | - | - | - |
| Liability recognised in the Balance Sheet | 1,157.93 | 245.60 | 39.29 | 284.89 |
| Defined benefit obligations cost for the year | | | | |
| Service Cost – Current | 106.25 | 23.44 | 3.27 | 26.71 |
| Interest Cost | 156.26 | 23.51 | 4.61 | 28.12 |
| Expected return on plan assets | (32.57) | - | - | - |
| Actuarial (Gain) / Loss | (433.15) | (77.91) | (22.78) | (100.69) |
| Net defined benefit obligations cost | (203.21) | (30.96) | (14.90) | (45.86) |
| Investment details of plan assets | | | | |
| 100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India | 379.91 | N.A. | N.A. | N.A. |
| The principal assumptions used in determining post – employment benefit obligations are shown below : | | | | |
| Discount Rate | 8.50% | 8.50% | 8.50% | |
| Future Salary increases | 6.00% | 6.00% | 6.00% | |
| Expected return on plan assets | 9.40% | - | - | |

The Company deposits an amount determined at a fixed percentages of basic pay every month to the state to the administered provident fund for the benefit of the employees. Accordingly, the company contribution during the year that has been charged to revenue amounts to ₹ 320.93 lacs (Previous Year ₹ 523.12 lacs)

32. In accordance with the requirements of Accounting Standard (AS)-18 on Related Party Disclosures, the names of the related parties where control exist and / or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are :



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| A Names of related parties and description of relationship | | |
|--|--|--|
| a) Parties where control exists: | b) Key Management Personnel | |
| -Subsidiaries | Mr. Satish K. Kaura (Chairman and Managing Director) | |
| Paramount Capfin Lease Private Limited | | |
| Blue Bell Trade Links Private Limited | | |
| -Associate | c) Relatives of Key Management Personnel | |
| Samtel Glass Limited | Mrs. Alka Kaura (Wife of Mr. Satish K. Kaura) | |
| | Mr. Puneet Kaura (Son of Mr. Satish K. Kaura) | |
| d) Companies over which persons described in (b) and (c) are able to exercise significant influence : | | |
| Samtel India Limited | | |
| Samtel – HAL Display Systems Limited | | |
| Samtel Thales Avionics Limited | | |
| Samtel Machines and Projects Limited (formerly Teletube Electronics Limited) | | |
| Samtel Electron Devices, GmbH | | |
| International Electron Devices Limited | | |
| Samtel Avionics and Defence Systems Limited (formerly Samtel Display Systems Limited) | | |
| Lenient Consultants Private Limited | | |
| CEA Consultants Private Limited | | |
| SW Consultants Private Limited | | |
| Tish Consultants Private Limited | | |
| Kaura Properties Private Limited | | |
| Kaura Investment Private Limited | | |
| Palka Investment Private Limited (Subsidiary of Samtel Glass Limited) | | |
| Swaka Consultants Limited | | |
| Punswat Consultants Limited | | |
| Dolsun Containers Private Limited | | |
| Fame Mercantile Private Limited | | |
| Navketan Mercantile Private Limited | | |
| Sakshi Kaura Designs Private Limited | | |
| Akta Investments Private Limited | | |

(₹ In lacs)

B) Details of transactions with the above related parties in the ordinary course of business

| Names of Related Parties | Particulars | Amount of Transactions | | Outstanding Balances | | |
|--|---|-------------------------------|-------------------------------|----------------------|------------------|------------------|
| | | For the year Ended 31.03.2013 | For the year Ended 31.03.2012 | Particulars | As At 31.03.2013 | As At 31.03.2012 |
| Subsidiaries | | | | | | |
| Paramount Capfin Lease Private Limited | Expenses incurred by the Company on behalf of Paramount | 0.09 | 0.01 | Share Capital | 89.30 | 89.30 |
| | | | | Investments | 199.98 | 199.98 |
| | | | | Loans and Advances | 69.80 | 69.71 |
| Blue Bell Trade Links Private Limited | Expenses incurred by the Company on behalf of Blue Bell | 0.09 | - | Investments | 4.54 | 4.54 |
| | | | | Loans and Advances | 1.08 | 1.00 |



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| Associate | | | | | | |
|--|--|--------|----------|-----------------------------|----------|----------|
| Samtel Glass Limited (SGL) | Purchase of Goods | 605.59 | 5,229.15 | Advance against Supply | 298.21 | 2,244.67 |
| | Scrap Sales | 6.85 | 149.26 | Investments | 2,790.87 | 2,790.87 |
| | Employees on deputation | 2.15 | 29.72 | Security Deposit Receivable | 155.00 | 155.00 |
| | Expenses debited by SGL | - | 3.99 | | | |
| | Share of Corporate office Expenses | 10.88 | 87.40 | | | |
| | High Seas Sales by SGL | - | 161.57 | | | |
| | Interest on Hundis | - | 24.69 | | | |
| | Power & Fuel Expenses | 494.48 | 318.05 | | | |
| | Manpower Expenses | 52.65 | 70.20 | | | |
| | Rental Income (Lease) | 1.10 | 3.30 | | | |
| Other Parties | | | | | | |
| Samtel India Limited (SIL) | Interest Income on ICD | 23.80 | 23.80 | Creditors for Services | 4.05 | 68.14 |
| | Manpower Hiring Charges | 30.52 | 103.93 | Investments | 295.20 | 295.20 |
| | Receipt against outstanding ICD receivable | 70.00 | - | Share Capital | 592.29 | 592.29 |
| | | | | Loans and Advances | 154.30 | 139.92 |
| | | | | ICD Receivable | 100.00 | 170.00 |
| Samtel Machines and Projects Limited (SMPL) | Employees on deputation (debited by SMPL) | - | 1.46 | Loans and Advances | - | 76.64 |
| | Interest Income on ICD | 8.38 | 11.24 | Creditors for Services | 95.79 | 16.83 |
| | Manpower Hiring Charges | 1.70 | 71.92 | Advance Subscription | 3,000.00 | 3,000.00 |
| | Receipt against outstanding ICD receivable | 107.00 | - | Share Capital | 901.80 | 901.80 |
| | | | | ICD Receivable | - | 107.00 |
| | | | | Share Premium | 441.51 | 406.51 |
| Samtel Electron Devices, GmbH | Bank Guarantee Charges | - | 61.33 | Corporate Guarantee | 1,390.88 | 1,366.81 |
| | Traveling Expenses | - | 0.12 | Loans and Advances | - | 202.81 |
| International Electron Devices Limited | Purchase of Goods | 472.69 | 3,048.48 | Creditors | 1,239.40 | 927.76 |
| | Sales of Raw Material | - | 3.18 | | | |
| Samtel Avionics and Defence Systems Limited (SADS) | Rental Income (Lease) | - | 17.82 | Share Capital | 182.71 | 182.71 |
| | Sale of Electron Guns | 2.49 | 3.31 | Loans and Advances | 63.67 | 47.54 |



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| | | | | | | |
|---|--|-----------|-----------|------------------------------------|--------|--------|
| | Expenses incurred by (SADS) on our behalf | 52.58 | - | | | |
| | Share of Corporate Office Expenses | - | 42.37 | | | |
| Samtel – HAL Display Systems Limited (SHDS) | Rental Income (Lease) | - | 5.82 | Loans and Advances | 0.02 | 6.00 |
| | Expenses incurred by (SHDS) on our behalf | 5.84 | - | | | |
| Lenient Consultants Private Limited | Interest on Loan | 3.37 | 3.37 | Share Capital | 212.62 | 212.62 |
| | | | | Unsecured Loans | 42.15 | 42.15 |
| | | | | Interest Payable | 6.07 | 3.03 |
| CEA Consultants Private Limited | Interest on Loan | 16.19 | 16.19 | Share Capital | 429.89 | 393.98 |
| | | | | Unsecured Loans | 202.33 | 202.33 |
| | | | | Interest Payable | 29.14 | 14.57 |
| | | | | Share Premium | 395.81 | 395.81 |
| Swaka Consultants Limited | Contract Labour Charges | - | 160.02 | Creditors for Services | 15.53 | 19.28 |
| Punswat Consultants Limited | Contract Labour Charges | 2.67 | 282.53 | Creditors for Services | 13.50 | 29.94 |
| Dolsun Containers Private Limited | Purchase of Goods | 14.21 | 222.28 | Advances against Supply / Services | - | 278.18 |
| | Scrap Sales | 0.08 | 61.61 | Investments | 6.40 | 6.40 |
| | Freight Outward | - | 20.50 | | | |
| | High Seas Purchases | - | 1,091.73 | | | |
| | Technical Fees | - | 8.19 | | | |
| | Interest and Bank Charges | - | 15.93 | | | |
| Key Management Personnel | | | | | | |
| Mr. Satish K. Kaura | Remuneration | 29.26 | 74.66 | Share Capital | 13.86 | 13.86 |
| | Personal Guarantee given for Term Loans taken by the Company | 40,856.59 | 39,602.92 | Unsecured Loans | 70.30 | 42.30 |
| | Receipt of unsecured loan | 28.00 | - | Interest Payable | 6.08 | 3.05 |
| | Interest on Loan | 3.38 | 3.38 | | | |

33. The Company has sought a status confirmation from its vendors to classify them as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006.



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Based on the responses received from the vendors the Company has determined the required disclosures as given below:

| | | (₹ in lacs) | |
|---|---|-------------|---------|
| | Particulars | 2012-13 | 2011-12 |
| A | Principal amount remaining unpaid as on 31st March, 2013 | 122.56 | 144.92 |
| B | Interest due thereon as on 31st March, 2012 | 75.94 | 52.00 |
| C | Interest paid by the Company in term of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year. | Nil | Nil |
| D | Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006. | 31.74 | 23.94 |
| E | Interest accrued and remaining unpaid as on 31 st March, 2013 | 107.68 | 75.94 |
| F | Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises. | Nil | Nil |

34. The Company had revalued its Plant and Machinery as on 1st October, 2010 on the basis of existing use value by an independent professional valuer. Accordingly a sum of ₹ 1,013.91 lacs being the excess of the depreciated value of Plant and Machinery over the existing use value, had been charged to the Statement of Profit and Loss in the year 2010 - 11.

Depreciation on the revalued items of Plant and Machinery is calculated on their respective revalued amounts at rates derived from the remaining useful life of the items as determined by the valuer on straight line method as against the methods / rates / bases which would have otherwise been adopted for the purpose of the annual accounts of the Company and accordingly, includes additional depreciation charge of ₹ 1,407.43 lacs for the current year (Previous year ₹ 1,592.44 lacs) with consequent effect on the loss for the year.

35. In view of the present scenario of Color Picture Tube business the management is of the view that the existing demand of CPT can be serviced by operating the manufacturing facility at Line # 2 along with the Color Electron Gun division of the Company, hence, the assets and liabilities of the Company have the realizable value as per their book values.

36. As the Company does not intend to further pursue the development of 'Plasma Display Panel' for its primary reportable business segment "TV Picture Tube and Parts", being commercially unviable, it had impaired the assets being Plant and Machinery used therein to its recoverable amount (net selling price) during financial year 2010-11. In view of the above, during the previous year an application had been made to the Centre for Scientific and Industrial Research to waive off the specific loan taken for this project.

37. FINANCIAL RESTRUCTURING

At the request of the Company, the participating Financial Institutions and Banks had approved the Debt Restructuring Scheme of the Company two times i.e. 1st scheme in financial year 2006-07 and 2nd scheme in financial year 2009- 10 under the Corporate Debt Restructuring (CDR) mechanism.

The salient features of the scheme inter alia were:

- (a) Effective Date: The cut off date of the scheme – 1st April' 2009
- (b) Restructuring of debt: The scheme envisaged restructuring of Core Principal (hereinafter referred to as Debt), which included loan of ₹ 47,186 lacs, Preference Shares of ₹ 3,079 lacs and Zero Coupon Bond (ZCB) ₹ 1,540 lacs.



SAMEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

- (c) The scheme envisaged two options for repayment of debt to lenders. Under the settlement option of ₹ 23,036 lacs, the entire debt shall be settled against total payment of ₹ 14,685 lacs in three years from the effective date. Lenders opting for the restructuring option of ₹ 28,768 lacs shall get equity allotment of ₹ 4,642 lacs in addition to existing Non-Convertible Redeemable Preference Share of ₹ 2,110 lacs and the balance debt of ₹ 22,016 lacs shall be repaid over a period of 7 years from the effective date with applicable interest.
- (d) Promoter Contribution: The Promoters / their associates shall bring in a sum of ₹ 3,000 lacs through a preferential issue to be subscribed, ₹ 1,000 lacs within 6 months of the approval of the scheme and balance of ₹ 2,000 lacs within 18 months of the sanction of the scheme. Further, the promoters shall also undertake to arrange additional equity contribution of ₹ 2,000 lacs during the financial year 2011 – 12.
- (e) Security: The debts (both term and working capital) to be secured by a first pari - passu charge on all the assets of the Company and the security to be pooled together among all the term lenders and working capital lenders. The debts shall also be secured by a personal guarantee of the Chairman and Managing Director of the Company. In addition, the promoters shall pledge 33% of the equity of the Company with lenders to further secure the debts.
- (f) Right of Recompense: Lenders opting for restructuring option shall have the right to recompense the reliefs / sacrifices / waivers extended by the lenders as per the prevalent guidelines under the CDR mechanism.
- (g) Right to reverse the Waivers: In the event of default, lenders shall have the right to reverse the waivers with the approval of CDR EG.

Pursuant to the implementation of above CDR scheme, the total outstanding debts remained in the books of accounts of the Company to the tune of ₹ 38,811 lacs. (₹ 14,685 lacs due to lenders opting settlement option, ₹ 2,110 lacs of Non Convertible Cumulative Redeemable Preference Shares and ₹ 22,016 lacs due to lenders opting restructuring option).

The Company has made repayment of ₹ 10,337 lacs towards principal loan amount upto 31st March' 2013 out of total outstanding debts of ₹ 38,811 lacs. During the year, no payment has been made. Hence, there is no change in the outstanding debts except forex fluctuation impact on the outstanding foreign currency loans.

During the year, Yes Bank limited has assigned its debts in the Company in favour of M/s Amberley Estates Private Limited. The necessary formalities to effect the changes will be completed in due course.

38. During the year, due to continuous decrease in the demand of color picture tubes and continuous liquidity crises, the Company's operations were affected adversely and operations of all manufacturing facilities were suspended during part of the year. All of these have resulted into heavy losses. The net worth of the Company was fully eroded at the end of the previous year.

Since the net worth of the Company was fully eroded at the end of the previous year, the Company made a reference under section 15(1) of the Sick Industrial Company (Special Provisions) Act, 1985 (SICA) with Board of Industrial and Financial Reconstruction (BIFR). The aforesaid reference has been registered in the BIFR as case no. 58/2012.

Significant events for assessing the appropriateness of going concern assumptions are as :

- a) Due to liquidity crisis and heavy losses during the year, there were defaults in repayment of principle amount of secured loans , over dues to the Banks / Financial institution amounting to ₹ 10,969.11 lacs (₹ 9,999.95 lacs debts and ₹ 969.16 redemption of 0 % NCCRPS) to CDR lenders and ₹ 287.25 lacs to Non CDR lenders , as on 31st March 2013.

The defaults for Unsecured loans , devolved LC are ₹ 681.99 lacs and ₹ 15,070.12 lacs respectively.



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The defaults of principle & interest thereon are as per table given below :

(₹ In lacs)

| Particulars (as on 31.03.2013) | Debts | Interest | Total |
|---------------------------------|------------------|-----------------|------------------|
| Defaults in Secured loans * | 10,969.11 | 4,275.31 | |
| Non – CDR Secured Loans | 287.25 | | 15,531.67 |
| Devolved Letter of Credits | 15,070.12 | 2,270.92 | 17,341.04 |
| Defaults in Unsecured Loans | 681.99 | 502.33 | 1,184.32 |
| Total | 27,008.47 | 7,048.56 | 34,057.03 |

* This include – Zero Coupon Bonds ₹ 484.63 lacs and Zero percent Non Convertible Cumulative Redeemable Preference Shares - ₹ 969.16 lacs.

b) In accordance with Accounting Standard 28 – 'Impairment of Assets' :

(i) During the year, the Company has identified its production Lines 3 , 5 and Defelction Yoke unit of its manufacturing facilities located at Village Chhapraula, Gautam Budh Nagar (Uttar Pradesh), Village Naya Nohra, Kota (Rajasthan) and Parwanoo (Himachal Pradesh) respectively as a separate cash generating units (CGUs). These CGUs are engaged in manufacture of 21" True Flat Color Picture Tube, 21" Pin Free Color Picture Tube and Color Defelction Yoke. During the year ended 31st March 2013, the Company on the basis of projected scale of operations and prevailing market conditions assessed that the recoverable value of the CGUs was lower as compared to the carrying value, thus, indicating impairment.

(ii) During the previous year, the Company had identified its production Lines 1 and 4 of its manufacturing facility located at Village Chhapraula, Gautam Budh Nagar (Uttar Pradesh) as a separate cash generating units (CGUs). These CGUs were engaged in manufacture of 15", 20" and 29" Color Picture Tubes. During the year ended 31 March 2012, the Company on the basis of projected scale of operations and prevailing market conditions assessed that the recoverable value of the CGUs was lower as compared to the carrying value, thus, indicating impairment.

As a result of the impairment testing carried out as at 31st March 2013, impairment loss of ₹ 27,977.06 lacs (Previous year ₹ 3,866.91 lacs) was recognized based on a comparison of the carrying value of the asset vis-à-vis recoverable value. The recoverable amount is higher of the followings:

Net Selling Price: In the current year, It is the management estimated sale value of Plant and Machinery (₹ 1,680.00 lacs i.e. 2.5% of the gross assets value). This rate of reserve sale vale is based on previous year basis of reserve sale value of Plant & Machinery of ₹ 554.57 lacs, as decided by CDR lenders in its Assets Sale Committee meeting held on 4th July 2012.

Value in Use: It is the present value of future cash flow of CGUs (Line 3, Line 5 and Deflection Yoke unit in current year and Line 1 and Line 4 in previous year). As the Company does not expect operations in these lines in future, thus no cash will be generated in future from these CGUs, hence the value in use is taken NIL.

Accordingly, a sum of ₹ 27,977.06 lacs lacs (Previous year ₹ 3,866.91 lacs) has been charged to the Statement of Profit and Loss as Impairment Loss. Further, Stores and Spares related to these production lines have also been impaired and accordingly a sum of ₹ 410.35 lacs (Previous year ₹ 512.28 lacs) has been charged to the Statement of Profit and Loss as Impairment Loss.

c) Debtors and Creditors balances are subject to reconciliations and confirmations.

d) Due to suspension of operations in all the manufacturing facilities , the physical verification of stocks were not carried out as on 31st March 2013.



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

- e) Due to suspension of operations in all the plants during part of the year, the fixed assets were not verified by the management.
- f) Non deduction of tax deducted at source and other statutory dues on some of the provisions of expenses, made during the year.
- g) During the year, the Company has made provision for diminution in long term investments in some of its group companies amounting to ₹ 841.48 lacs (Previous year ₹ 983.48 lacs). In case of Samtel Glass Limited, the investment value is taken on the basis of three years (Previous year five years) average book value. The Profit after tax of Samtel Glass Limited has been taken on the basis of un audited financial statements for the financial year ended March 31, 2013. In view of the management, the basis of considering three years (Previous year five years) average book value for computing the diminution in the value of investments is reasonable.

Since the Company has registered in BIFR wherein it has given revival plan for operating some of its manufacturing facilities, the Company is quite hopeful to get financial assistance by infusion of funds in terms of waiver of interest / term liabilities. In the meanwhile, Company is also exploring option for revival through restructuring its manufacturing facilities at some of the locations. On overall assessment of aforesaid considerations, the Company is of the view that Going Concern is not affected and hence there is no need to reinstate the assets and liabilities at net realizable value.

39. SEGMENT REPORTING

The Company's operating business is organized and managed according to a single primary reportable business segment namely "T.V. Picture Tube and Parts" in India only and there are no separate reportable segments in accordance with the principles outlined in AS - 17 on Segment Reporting, notified by Central Government under Companies (Accounting Standards) Rules 2006, hence segment reporting is not applicable.

40. DEFERRED TAX

(A) The movement in Deferred Tax Liability (Net) account is as follows:

(₹ in lacs)

| Particulars | As At | As At |
|---|--------------------|-------------------|
| | 31.03.2013 | 31.03.2012 |
| Opening Balance | (3,117.06) | (2,791.29) |
| Current Period Deferred Tax Liability / (Asset) | (12,943.40) | (390.68) |
| Opening Rate Difference | - | 64.91 |
| Closing Balance | (16,060.46) | (3,117.06) |

(B) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

(C) Break - up of deferred tax assets/ liabilities:-

| Particulars | As At | As At |
|---|-----------------|-----------------|
| | 31.03.2013 | 31.03.2012 |
| Deferred Tax Liabilities : | | |
| Tax impact of difference between carrying amount of Fixed Assets in Financial Statements and Income Tax Returns | 5,440.89 | 6,801.83 |
| Sub Total (A) | 5,440.89 | 6,801.83 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2013

| | | |
|---|--------------------|-------------------|
| Deferred Tax Assets : | | |
| Tax impact of expenses charged in the Financial Statements but Allowable as deductions in future years under Income Tax | 1,672.26 | 1,490.35 |
| Tax impact of unabsorbed business loss / depreciation for the Current year | 19,829.09 | 8,428.54 |
| Sub Total (B) | 21,501.35 | 9,918.89 |
| Net Deferred Tax Liability / (Assets) (A) – (B) | (16,060.46) | (3,117.06) |

The tax impact for the above purpose has been arrived at by applying the prevailing tax rate for Indian Companies under the Income Tax Act, 1961.

The deferred tax liability generated during the year has been adjusted against the carry forward deferred tax assets leaving unrecognized balance of net deferred tax assets of ₹ 16,060.46 lacs (Previous year ₹ 3,117.06 lacs) which will be adjusted against deferred tax liability as and when it arises.

41. Revenue expenses on account of Research and Development activities included in these accounts under various heads are ₹ Nil (Previous year ₹ 251.13 lacs). The additions to Fixed Assets include additions aggregating ₹ Nil (Previous year ₹ Nil) acquired for Research and Development activities.

42. A) **Finance Lease:** The Company acquires vehicles under a finance lease agreement. The lease agreement provides for transfer of ownership to the Company at the end of the lease term. Initial direct cost, maintenance and insurance of the assets are borne by the Company.

B) **Operating Lease:** The Company has taken depots and offices on lease with an option of renewal at the end of lease term. These leases have an escalation clause and are in the nature of cancelable operating leases. The lease amount paid / provided ₹ 213.37 lacs (Previous year ₹ 213.69 lacs) has been charged to Statement of Profit and Loss.

43. Movement in Share Premium Account:

(₹ in lacs)

| Particulars | For the Year Ended 31.03.2013 | For the Year Ended 31.03.2012 |
|---|----------------------------------|----------------------------------|
| Opening Balance | 6,619.98 | 6,550.91 |
| Add: Amount on Equity Shares Issued to Promoter's Group Company * | - | 69.07 |
| Closing Balance | 6,619.98 | 6,619.98 |

* Differential amount which was received short at the time of allotment as per rate calculated by SEBI guidelines.

44. At the close of financial year, the management has reviewed the status of its outstanding current assets & liabilities / provisions and based on the legal opinion / advice have written back ₹ 3,283.87 lacs (net) (Previous year ₹ 124.59 lacs), which includes liabilities provided in earlier year – current year at the time of publication of unaudited quarterly results as per sebi guidelines, forming part of other income.



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

45. The Company has not booked the statutory liabilities on the provision for expenses made during the year as the quantum of exact statutory liability can not be ascertained in the present scenario.

46. Borrowing cost capitalized during the year ₹ Nil lacs (Previous year ₹ Nil lacs)

47. **Additional Information:**

| a) | Installed Capacity and Actual Production | Installed Capacity (in Nos.) | | Actual Production (in Nos.) | |
|----|--|------------------------------|------------|-----------------------------|-----------|
| | | For the Year | | | |
| | Products | 2012-13 | 2011-12 | 2012-13 | 2011-12 |
| | Color Picture Tubes | 26,00,000 | 76,00,000 | 5,16,191 | 28,58,063 |
| | Color Electron Guns | 120,00,000 | 120,00,000 | 7,06,622 | 30,80,213 |
| | Color Deflection Yokes | - | 80,40,000 | - | 18,05,277 |

Note: The installed capacity is annualized and stated as certified by the management and accepted by the auditors being a technical matter.

| b) | Stock and Sales | For the Year | | | |
|------|-------------------------------------|----------------|-------------------|----------------|-------------------|
| | | 2012-13 | | 2011-12 | |
| | Products | Qty. (in Nos.) | Value (₹ in lacs) | Qty. (in Nos.) | Value (₹ in lacs) |
| | Color Picture Tubes | | | | |
| i) | Opening Stock of Finished Goods | 6,311 | 88.59 | 62,876 | 794.75 |
| ii) | Closing Stock of Finished Goods | 5,252 | 82.27 | 6,311 | 88.59 |
| iii) | Sales of Finished Goods | 5,17,250 | 6,596.98 | 29,14,628 | 36,498.93 |
| | Color Electron Guns | | | | |
| i) | Opening Stock of Finished Goods | - | - | - | - |
| ii) | Closing Stock of Finished Goods @ @ | - | - | - | - |
| iii) | Sales of Finished Goods @ | 15,544 | 27.56 | 161 | 3.31 |
| | Color Deflection Yokes | | | | |
| i) | Opening Stock of Finished Goods | - | - | - | - |
| ii) | Closing Stock of Finished Goods * * | - | - | - | - |
| iii) | Sales of Finished Goods * | - | - | - | - |

@ Sales of Color Electron Guns does not include 6,25,397 nos. (Previous year 31,39,003 nos.) used for captive consumption.

@ @ Closing stock of Color Electron Guns does not include 78,086 nos. (Previous year 12,405 nos.) since the same is kept for captive consumption. Out of this stock, during the year, 43,408 nos. (Previous year Nil nos.) have been attached by the excise department against their recovery of excise duty.

* Sales of Color Deflection Yokes does not include Nil nos. (Previous year 17,97,182 nos.) used for captive consumption.

* * Closing stock of Color Deflection Yokes does not include 8,095 nos. (Previous year 8,095 nos.) since the same is kept for captive consumption.



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

| c) | Raw Material and Components Consumed | For the Year Ended | | | |
|------|--------------------------------------|--------------------|----------------------|-------------------|----------------------|
| | | 31.03.2013 | | 31.03.2012 | |
| | | Qty. (in Nos.) | Value (₹ in lacs) | Qty. (in Nos.) | Value (₹ in lacs) |
| | Products | | | | |
| i) | Glass Components | 11,24,472 | 2,803.31 | 48,22,545 | 12,194.54 |
| ii) | Electronics Components | 33,50,295 | 2,730.75 | 103,58,751 | 8,048.11 |
| iii) | Miscellaneous * | - | 649.67 | - | 6,496.83 |
| | Total | | 6,183.73 | | 26,739.48 |

* Includes items which in terms of value do not individually account for 10% or more of the total value of the Raw Material and Components consumed.

| d) | Material Consumption | For the Year Ended | | | |
|-----|---|--------------------|---------------|------------------|---------------|
| | | 31.03.2013 | | 31.03.2012 | |
| | Particulars | (₹ in lacs) | % age | (₹ in lacs) | % age |
| i) | Raw Material and Components Consumed | | | | |
| | - Imported | 4,840.04 | 78.27 | 10,991.22 | 41.10 |
| | - Indigenous | 1,343.69 | 21.73 | 15,748.26 | 58.90 |
| | Total | 6,183.73 | 100.00 | 26,739.48 | 100.00 |
| ii) | Stores and Consumables Consumed | | | | |
| | - Imported | 14.28 | 5.02 | 77.52 | 7.60 |
| | - Indigenous | 270.29 | 94.98 | 881.96 | 92.40 |
| | Total | 284.57 | 100.00 | 954.48 | 100.00 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2013

(₹ in lacs)

| Particulars | For the Year Ended | |
|---|--------------------|------------|
| | 31.03.2013 | 31.03.2012 |
| e) CIF Value of Imports | | |
| i) Raw Material and Components | 5,201.71 | 7,398.18 |
| ii) Stores and Spares | 16.78 | 154.63 |
| f) Expenditure in Foreign Currency | | |
| (Net of Indian Taxes) (Cash Basis) | - | - |
| i) Professional and Technical Fees | - | 11.32 |
| ii) Others | 0.42 | 63.38 |
| e) Earnings In Foreign Exchange | | |
| FOB Value of Exports | - | 892.65 |

48. There is no other information apart from the information already disclosed pursuant to the relevant clauses of new schedule VI as inserted in the Companies Act, 1956 by the Notification- S.O. 447(E), dated 28th February 2011 (As amended by Notification No F. NO. 2/6/2008-CL-V, Dated 30th March 2011).

49. Previous year figures have been regrouped / rearranged wherever necessary to conform to this year's classification.

For & on behalf of the Board

Place : New Delhi



Satish K. Kaura
Satish K. Kaura

Chairman & Managing Director

Ajit Singh
Ajit Singh

Director

Prabhat Kumar Nanda


Prabhat Kumar Nanda
 Company Secretary

Date : May 31, 2013

The information in pursuant to the clause 31 of the Equity Listing Agreement.

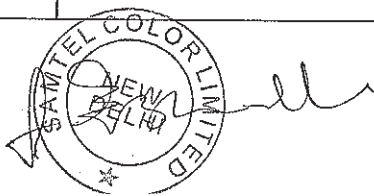
FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges.

| | | |
|---|--|--|
| 1 | Name of the Company: | SAMTEL COLOR LIMITED |
| 2 | Annual financial statements for the year ended | 31 st March 2013 |
| 3 | Type of Audit qualifications | Qualified : |
|  | | <p>Basis for Qualified Opinion</p> <p><i>The financial statements have been prepared by the Company on the going concern basis as fully elaborated in Note 38 of the financial statements as the proceedings are going on before the Board of Industrial and Financial Reconstruction under the Sick Industrial Companies(Special Provisions) Act 1985.</i></p> <p><i>We had reported in our audit report for the year ended 31st March 2012 as under:-</i></p> <p><i>The entire net worth of the Company has eroded completely; (ii) the Company has initiated the bidding process for the disposal of production lines 1 and 4(non –core assets) out of 4 production lines at plant situated at Gautam Budh Nagar (Uttar Pradesh) after obtaining approval of CDR lenders and consequently impaired those production lines by Rs. 3,866.91 Lacs and related stores & spares by Rs. 512.28 Lacs;(iii) the manufacturing operations at other production lines at plants situated at Ghaziabad (Uttar Pradesh) & Parwanoo (Himachal Pradesh) could not be resumed in the financial year due to non-participation of labour in production process due to their over-dues; (iv) the Company has defaulted in repayment of loans as per CDR scheme and borrowings of other lenders; (v)there is diminution in the value of long term investments; (vi)reconciliation and confirmations of balances of certain major creditors and acceptances are pending; (vii) non- redemption of 969,163, 0% redeemable preference shares of Rs100 each amounting to Rs. 969.16 lacs already due for redemption; and (viii) non payment of preference dividend for the period from 31st March 2008 to 31st March 2012 aggregating to Rs. 773.61 Lacs on 2110116 8% Non Convertible Cumulative Redeemable Preference Shares.</i></p> <p><i>We further report that during the year, in addition to the continuation of our above observations, as under:-</i></p> |



(i) in view of the continued failure of the Company to disburse the legitimate dues of the workmen, Hon'ble High Court of Himachal Pradesh (Shimla) has settled the dispute by passing an order for the closure of Deflection Yoke unit at Parwanoo (H.P) and thereby, pay off the corresponding outstanding dues by selling the industrial undertaking/Company assets etc., (ii) the operations have been suspended in all locations by the mid of November 12, & have not been resumed till date and consequently, management has impaired the production lines 3 & 5, located at Gautam Buddh Nagar (UP) & Deflection Yoke unit located at Parwanoo (HP) by Rs. 27,977.06 lacs and related stores & spares by Rs. 410.35 lacs etc.; (iii) the impairment of assets of production line 2, located at Gautam Buddh Nagar (U.P.), and gun division at Meerut has not been considered by the management on the rationale of its revival plan of running the operations by restructuring them even though in our opinion considering the liquidity crunch, the probability of running these lines seems remote; (iv) the balances outstanding as on 31st March, 2013 of receivables & inventory are subject to confirmation & physical verification respectively due to temporary suspension of operations & non access to inventories, (v) raw material & finished goods inventory amounting to Rs. 311.90 lacs and Rs. 55 lacs respectively have been seized by the excise authorities due to non-payment of excise dues; (vi) there is non-submission of various statutory returns acknowledged by the respective authorities, non provision/deposition of various overdue statutory liabilities like PF/Service Tax / TDS /Excise/ Vat & CST/ WCT/ TCS/ ESI/ Gratuity/ Bonus/ Preference dividend & related over dues (interest and penalty), non deduction of TDS on provisional expenses; and as explained by management exact amount of which could not be ascertained in present scenario; (viii) there is increase in diminution of investments in current year of Rs. 841.48 lacs, (ix) Assets lying with the Provident Fund trust have been transferred to Regional Provident Fund Commissioner and those related to Gratuity Trust have been settled by adjustment of employees dues. However, as per the management, related liability has been accounted for completely and there will be no demand over and above the same; (x) Company has accounted for its gratuity and leave encashment liability on actual basis rather than on actuarial valuation method which has been prescribed in Accounting Standard AS-15, "Employee Benefits".



These factors raise substantial doubts as to the Company's ability to continue as going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustment relating to the recoverability and classification of recorded assets amounts.

Based on the above facts we are of the opinion that going concern assumption has been affected and the financials should have been stated at net realisable value.

Qualified Opinion

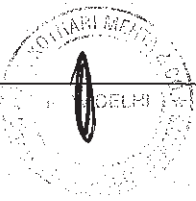
In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph regarding erosion of net-worth coupled with other events and inability in realisation of assets and discharge of liabilities based on going concern assumptions and clauses (1), (2), (3), (7), (9), (10), (11) & (17) of annexure to Auditor's Report referred in clause 1 of paragraph of 'Report on other Legal and Regulatory requirements' below; being non-provision of physical verification due to restricted access of fixed assets & inventories, irregular in payment or principal and interest to certain parties, internal audit system, non payment of outstanding statutory dues, cash loss in the current financial year, default in payment of dues to financial institutions and banks and utilization of short - term funds for long term purposes, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) *In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;*
- b) *In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and*
- c) *In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

4 Frequency of qualification

The qualification mentioned at (a) in Sr. no. 3 has been repetitive nature since 31.03.2012.

The qualification mentioned at (b) in Sr. no. 3 has been appeared First time in this year report.



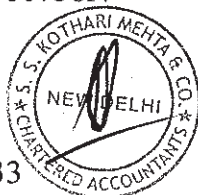
| | | |
|---|--|---|
| 5 | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report | <p>The observations of the Auditors and the relevant notes on the accounts are self-explanatory. Further, explanations with regard to the observations/qualifications of the Auditors' are as under :</p> <p>a) The Company is of the view that the existing demand of Color Picture Tube can be serviced by operating the manufacturing facility at Line # 2 along with the Color Electron Gun division of the Company. Thus the Company is confident of running the operations as "Going Concern Basis" hence, the assets and liabilities of the Company have the realizable value as per their book values.</p> <p>b) Due to liquidity crisis and heavy losses during the year, there were defaults in repayment of principle amount of secured loans , over dues to the Banks / Financial Institutions and redemption of NCCRPS, as on 31st March 2013.</p> <p>c) The Company has impaired Plant & Machinery and its related Spares of some of its manufacturing facilities on the basis of applicable accounting standard.</p> <p>d) The Company has made provision for diminution in long term investments in some of its group companies.</p> <p>e) Debtors and Creditors balances are subject to reconciliations and confirmations.</p> <p>f) Due to suspension of operations in all the manufacturing facilities , the physical verification of stocks were not carried out as on 31st March 2013.</p> <p>g) Due to suspension of operations in all the plants during part of the year, the fixed assets were not verified by the management.</p> <p>h) Non deduction of tax deducted at source and other statutory dues on some of the provisions of expenses, made during the year.</p> |
| 6 | Additional comments from the board/audit committee chair: | The company is registered with Bureau of Industrial & Financial Reconstruction under the Sick Industries Companies(Special Provision) Act,1985 and the proceedings are going on. |

**For SS Kothari Mehta & Associate
Chartered Accountants**

Firm Registration No.-000756N

K K Tulshan
Partner

Membership NO. 085033



**For & On behalf of the Board of Directors
of Samtel Color Limited**

Satish K Kaura *Ajit Singh* *Manoj Bhala*
(Satish K Kaura) **(Ajit Singh)** **(Manoj Bhala)**
Chairman & Director C F O
Mg. Director (Chairman
of the Audit
Committee)

