

NOTICE

Notice is hereby given that the 28th Annual General Meeting of the Members of SAMTEL COLOR LIMITED will be held on Wednesday, the 30th of September, 2014 at 3.00 P.M. at Benquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi -110025 for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Satish K Kaura (holding DIN 00011202), who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint M/s. S S Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the fourth consecutive AGM and to fix their remuneration and to pass the following resolution thereof:

“RESOLVED THAT, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s. S S Kothari Mehta & Co., Chartered Accountants, New Delhi (Firm Registration No. 000756N), be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of this AGM to the conclusion of the fourth consecutive AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) and that the Board of Directors, be and are hereby authorized to fix such remuneration as may be agreed upon by the Board of Directors and Auditors, in addition to reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of the accounts of the Company.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

To appoint Mr. Uday Sethi (DIN 06944469) as a Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Uday Sethi (DIN 06944469) , who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company. “

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri S P Gugnani (holding DIN 00901410), Director of the Company, whose period of office is liable to determination by retirement of Directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Uday Sethi (holding DIN 06944469), Director of the Company, who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 consecutive years for a term up to 31st March, 2019.”

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Section 186 and Rule 13 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Shareholders ratifies the Investments made, Inter-Corporate Loans/Loans/Guarantees/Securities given to all Body Corporate(s) including WOS, Subsidiaries, JVs and Others from time to time of Rs.25.17 crores upto 31st March, 2014 and that the Board be and is hereby authorized to agree, make and accept all such terms, conditions alteration(s), modification(s) deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto to give effect to this resolution and for matter connected therewith or incidental thereto.”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc. for investments to be made, loans / guarantees to be given and securities to be provided to any person and / or any body corporate, do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any Committee of Directors or Managing Director or Whole-time Director or Director or officer of the Company or any other person.”

8. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into contracts and/or arrangements with Related Parties as defined under the Act with respect to sale, purchase or supply of any goods or materials, selling or otherwise disposing of, or buying,

property of any kind, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials, services or property or appointment of such related party to any office or place of profit in the Company or its subsidiary or associate Company or any other transaction of whatever nature with Related Parties.

RESOLVED FURTHER THAT the Board of Director be and is hereby further authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this Resolution.”

9. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 88, 92 and 94 of the Companies Act, 2013 (“Act”) read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) consent of the members be and is hereby accorded to the Company to keep all registers /returns required to be maintained by a Company under Section 88 & 92 at the office of MAS Services Limited, Registrar and Shares Transfer Agent of the Company, with immediate effect.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary or desirable to give effect to this Resolution.”

By Order of the Board



Satish K Kaura
Chairman & Managing Director
DIN: 00011202

Place : New Delhi

Dated :14.08.2014

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from 26.09.2014 to 29.09.2014 (both days inclusive).
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
4. Under Section 205A of the Companies Act, 1956, amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the

Investor Education and Protection Fund (IEPF), constituted by the Central Government. The Company had, accordingly, all the amounts have already been transferred being the unpaid and unclaimed dividend amount pertaining to Dividend, till 2004-05 to the Investor Education and Protection Fund of the Central Government. Thereafter no dividend has been declared / paid due inadequacy in the profits of the company.

5. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA/Company.
7. To support the "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies vide Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively and in terms of Rule 18 of the Companies (Management and Administration) Rules, 2014, a Company may give notice through electronic mode addressing to the person entitled to receive such e-mail as per the records of the Company or as provided by the depository, provided that the Company shall provide an advance opportunity atleast once in a financial year, to the member to register their e-mail address and changes therein and such request may be made by only those members who have not got their email id recorded or to update a fresh email id and not from the members whose e-mail ids are already registered.

In view of the above, the Company hereby request members who have not updated their email IDs to update the same with their respective Depository Participant(s) or the MCS Limited, Registrar and Transfer Agent (R&T) of the Company. Further, members holding shares in electronic mode also requested to ensure to keep their email addresses updated with the Depository Participants/R&T of the Company. Members holding shares in physical mode are also requested to update their email addresses by writing to the R &T of the Company quoting their folio number(s).

7. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.
8. The Company has not paid the Annual Listing Fees for the year 2014-2015 to the following Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on which the Company's Securities are presently listed. The same has not been paid since the Company is going through severe liquidity issue and applications for exemption towards payment of listing fees have been submitted to Stock Exchanges. The company has also not paid the listing fee for the year 2013-14 to National Stock Exchange of India Ltd to whom an application has already been filed for de-listing of equity shares, long back.
9. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Uday Sethi was appointed as an Additional Director of the Company w.e.f.14.08.2014 by the Board of Directors of the Company.

In terms of the provisions of Companies Act, 2013 an Additional Directors shall hold office only upto the date of the next Annual General Meeting of the Company. The term of the above named director will, therefore, expire at the forthcoming Annual General Meeting. Accordingly both the Director hold office upto the ensuing Annual General Meeting.

The Company has received notices in writing from member proposing the candidature of Mr. Uday Sethi for the Office of Directors of the Company liable to retire by rotation.

It is, therefore, proposed to appoint Mr. Uday Sethi as Director of the Company liable to retire by rotation at the ensuing Annual General Meeting. Your directors commend the resolution for approval by the members. None of the Directors and their relatives except Mr. Uday Sethi is concerned or interested in the resolution financially or otherwise.

The Board recommends the resolutions for the approval of the Members of the Company.

Item No. 5

Mr. S P Gugnani is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in 25.07.1987. Mr. Gugnani is the Chairman of Audit Committee and the Stakeholders' Relationship Committee and member of the Nomination and Remuneration of the Company.

Mr. Gugnani is a Retd. Govt. Officer with expertise in the fields of Audit & Accounts. Mr. Gugnani is a Director, whose period of office is liable to determination by retirement of director by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Gugnani being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. Gugnani as a candidate for the office of Director of the Company.

Mr. S P Gugnani has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Gugnani fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Gugnani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Gugnani as an Independent Director, for the approval by the shareholders of the Company. Except Mr. Gugnani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Mr. Uday Sethi has been appointed as a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in August, 2014. Mr. Sethi is the Chairman of Nomination and Remuneration Committee and a Member of the Audit Committee and Stakeholders' Relationship Committee of the Company.

The term of office of Mr. Sethi will end at the ensuing Annual General Meeting. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Sethi being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for 5 consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Shri Sethi as a candidate for the office of Director of the Company.

Mr. Sethi has given a declaration to the Board that he meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mr. Uday Sethi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sethi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Sethi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Uday Sethi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

Item No. 7

Pursuant to Section 186(2) of the Companies Act, 2013 (Act) and the Companies (Meetings of Board and its Powers) Rules, 2014 (Rules), the Board of Directors is authorized to give loan, guarantee or provide security in connection with a loan to any person or other body corporate, or acquire by way of subscription, purchase or otherwise, the securities including shares, debentures etc. of any other body corporate, up to an amount, the aggregate of which should not exceed 60% of the paid up capital, free reserves and securities premium account or 100% of free reserves and securities premium account of the Company, whichever is higher. In case the Company exceeds the above mentioned limits then, prior approval of shareholders by way of a Special Resolution (except in case of WOS/JV as per Rule 11 of the above Rule) required to be obtained.

The Company had given Inter-Corporate Loan /Loans/ Guarantees and made Investments of Rs. 25.17 crores upto 31st March, 2014. As per explanation to Rule 13 of Companies (Meetings of Board and its Powers) Rules, 2014 the same is required to be ratified at the ensuing Annual General Meeting. The Board of Directors had, in its meeting held on 14.08.2014, considered and approved, subject to the approval of shareholders, this proposal and recommends Resolution no. 7 of the accompanying Notice to the shareholders for their approval by way of special resolution.

Except the Directors and Key Managerial Personnel or their relatives who may be concerned or interested, financial or otherwise, by way of directorship/shareholding or in any other manner in one or more companies/ bodies corporate/ individuals as described in the said resolution, no other Director or Key managerial personnel or their relatives is concerned or interested in the said resolution.

Item No. 8

Pursuant to Section 188(2) of the Companies Act, 2013 ("Act") and the Companies (Meetings of Board and its Powers) Rules, 2014 ("Rules"), the Company can enter into Related Party transaction mentioned

under aforesaid resolution, which are not in the ordinary course of business and/or are not on arm length basis, only with the approval of the shareholder accorded by way of a special resolution. Though, your Company always seeks to enter into transactions with Related Parties (as defined in the Companies Act 2013 read with Rules thereto) in the ordinary course of business and at arm length basis; still there is some transactions which are required to be executed in the interest of the Company and for which your approval is required under the provisions of the Companies Act, 2013 and as per Rules made there under.

The Board of Directors had, in its meeting held on August 14, 2014 considered and approved, and recommends to the shareholders for their approval by way of Special Resolution.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned in this Resolution except to the extent of their shareholding in the Company or any interest as director or shareholder or partner or otherwise in such other related parted/entity, if any.

Item No. 9

Pursuant to Section 88, 92 and 94 of the Companies Act, 2013 ("Act") read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Company can keep all registers/returns required to be maintained by a Company under Section 88 & 92 of the Act, at a place other than the Registered Office of the Company but within the city, town or village in which the Registered Office is situated or any other place in India in which more than one-tenth of the total number of members entered in the register of members reside and such other place shall be approved by a resolution passed by the members in the General Meeting.

Accordingly, it is proposed to keep all registers/returns required to be maintained by a Company under Section 88 & 92 at the registered/corporate office of MCS Limited, Registrar and Shares Transfer Agent of the Company, with immediate effect.

None of the Directors or the Key Managerial Personnel or their relatives is interested or concerned in this Resolution except to the extent of their shareholding, if any.

The Board of Directors had, in its meeting held on August 14, 2014 considered and approved, and recommends to the shareholders for their approval by way of Special Resolution.

By order of the Board of Directors


SATISH K KAURA
Chairman & Managing Director
DIN 00011202

Place : New Delhi

Dated : 14th August, 2014

Details of Directors Seeking Appointment/Re-Appointment at The Forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

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 |
| Samtel Machines & Projects Limited | |

Details of Shareholding/other convertible instruments of Non-Executive Directors of the Company
(Pursuant to Clause 49 of the Listing Agreement)

| S.No. | Name of Director | No. of Equity Shares | Other convertible |
|-------|------------------|----------------------|-------------------|
| 1. | Satish K Kaura | 138594 | Nil |
| 2. | S P Gugnani | 1800 | Nil |
| 3. | Uday Sethi | Nil | Nil |

Management Discussion & Analysis Report

Market & Outlook

Globally there has been decline in the market for Color Picture Tube (CPT) based television sets. However, the decline has been less pronounced for CPT based televisions, in the market of Latin America, South Africa and South Asia despite invent and availability of other technology.

It is expected that there will be adequate demand of CPT based televisions in India for next couple of years.

Even though the demand in India persists, the domestic players failed to dominate the market and increase their market share as there was a surge in import of cheap Color Picture Tubes from South East Asia. This coupled with higher raw material cost severely impacted the domestic color picture tube industry including Samtel Color Limited.

With the drying up of cheap source of picture tubes from across the Globe and non parity of US Dollar and Indian Rupee making import much more expensive, the scope of Indian manufacturers of Color Picture Tubes has brightened to some extent.

In order to come out of the difficult situation and explore the current opportunity, the Management of the Company is working on various options.

In order to revive the Company and sustain the production, the Company requires urgent infusion of funds/working capital. The Management is working in this regard in consultation with the Lenders. The Company is quite confident that with the infusion of requisite working capital for which negotiations and discussions are being held with prospective investors/bankers, the re-sized operations of the Company can be sustained with reasonable margins and profitability.

Financial & Operational Results

During the year under review all the production facilities of the Company were closed due to severe liquidity issues. The total revenue for the Company during the financial year under review was Rs. 1.58 crores.

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 2013-14 with Net Loss of Rs. 71.54 crores.

The Management keeping in view the current demand and supply situation and the future demand scenario is actively considering proposals to restructure/resize manufacturing operations of the Company.

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 close all its production facilities and had declared lock out in its production units. The Company is making every efforts to maintain cordiality in the industrial relations.

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 2013-14

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 4 Directors, of which two are independent. The Chairman and Managing Director is the only executive Director on the Board. Mrs. Alka Kaura & Mr. Uday Sethi have been inducted as additional Director on the Board of the company effective from 07.05.2014 and 14.08.2014 respectively and the resignation of Mr. Ajit Singh has been accepted by the Board effective from 14.08.2014. 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 2013-14, the Board of Directors met five times. The dates on which meetings were held are 30th May, 2013, 14th August 2013, 30th August, 2013, 15th November 2013 and 14th February 2014. The maximum time gap between any two consecutive meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIP HELD (As on March 31, 2014)

| Name of the Director | Category / Status of Directorship | No. of Board meetings held during 2013-14 (Twelve months) | No. of Board meetings attended during 2013-14 (Twelve months) | Attendance in last AGM held on 30 th September 2013 | No. of Directorship in other Public Limited Companies | No. of Committee positions held | |
|----------------------|-----------------------------------|---|---|--|---|---------------------------------|--------|
| | | | | | | Chairman | Member |
| Mr. Satish K Kaura | Executive Promoter Director | 5 | 5 | Yes | 7 | Nil | 3 |

| | | | | | | | |
|------------------|----------------------|---|---|-----|---|-----|-----|
| Mr. S.P. Gugnani | Independent Director | 5 | 2 | Yes | 1 | Nil | Nil |
| Mr. Ajit Singh | Independent Director | 5 | 5 | Yes | 2 | Nil | Nil |

No sitting fee or any remuneration or perquisites are being paid to any Board members.

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 completes access to all information within the Company.

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

Remuneration of Directors

The company has not paid any remuneration to its Directors during the financial year 2013-14. The Company did not advance any loans to any of its Directors in the year under review.

Details of the shareholding of independent Directors as on March 31, 2014 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. Ajit Singh | Independent Director | 0 | 0 |

Remuneration Policy

Samtel Color does not pay any remuneration to non-executive Directors for attending Audit Committee, Share Transfer and Investors Grievance Committee, Finance Committee meeting and / or any other committee of the Board of Directors. Mr. S P Gugnani & Mr. Ajit Singh are not being paid any sitting fees. The Company also does not pay remuneration to its Chairman and Managing Director by way of salary, perquisites and allowances.

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 2014, the Company's Audit Committee comprises of three members out of which two are independent Directors. In 2013-14, the Audit Committee met five times on 30th May 2013, 14th August 2013, 30th August, 2013, 15th November 2013, and 14th February 2014. 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 held | No. of Meetings Attended | Sitting fees (Rupees) |
|---------------------------|-----------------|-----------------------------|---------------------------------|------------------------------|
| Mr. S P Gugnani | Chairman | 5 | 2 | 0 |
| Mr. Ajit Singh | Member | 5 | 5 | 0 |
| Mr. Satish Kaura | Member | 5 | 5 | 0 |

The audit committee was reconstituted on 15.02.2013. Mr. S P Gugnani has been appointed as the Chairman. Mr. Ajit Singh & Mr. Kaura have been nominated as member to the Audit Committee. No sitting is being paid to any member 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.

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 2013-14 are as under:

| Nature of Complaints | 2013-2014 | | | | 2012-2013 | | | |
|--|-----------|----------|---------|---------|-----------|----------|---------|---------|
| | Opening | Received | Settled | Pending | Opening | Received | Settled | Pending |
| Relating to Transfers, Transmission, Dividend, Interest, Demat / Remat and Change of Address | 0 | 06 | 06 | 0 | 0 | 07 | 07 | 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. There was no agenda for the Finance Committee therefore no meeting was held during the year.

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.

No meeting of Remuneration Committee was held during the year.

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 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, 2014, your Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges, except there was delay in filling of distribution schedule for the Quarter ended 31st December, 2013 which was due to non availability of data from the registrar & transfer agent and due to non payment of custodian fee to NSDL & CDSL. Due delay in filling of the said information to stock exchanges, the Stock Exchanges have imposed penalties as per the Standard Operating Practice (SOP) promulgated by SEBI. The Company has replied to the notices imposing penalties and taken up the matter with both NSE / BSE.

No Penalties or strictures have been imposed on your Company by 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 being registered with Board for Industrial & Financial Restructuring (BIFR), it has not paid the listing fee to the Bombay Stock Exchanges Ltd. and National Stock Exchange of India Limited for the year 2014-15. Your company has also not been able to make the payment of listing fee for the year 2013-14 to National Stock Exchange of India Limited. 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, 2014.

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 |
| 2012-13 | 30.09.2013 | 3.30 P.M. | Benquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi 110025 | 0 | 25 | 10 |
| 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 |

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: 30.09.2014

Day: Tuesday

Time: 3.00 p.m.

Venue: Benquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi 110025

Financial Results

In the financial year 2013-14 the interim results were announced on:

14th August' 2013: First quarter

30th August' 2013: Audited account for the year 2012-13

15th November 2013: Second quarter and half yearly results.

14th February 2014: Third quarter results.

30th May 2014: Forth quarter & audited results for the year ended 2013-14.

Book Closure

The register of members will remain closed from 26th September' 2013 to 29th September' 2014.

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

Shareholding Pattern by ownership as on 31.03.2014

| Particulars | No. of share Holders | %age of share holders | No. of shares held | % of share Holding |
|---|----------------------|-----------------------|--------------------|--------------------|
| Directors, Promoters and family members | 19 | 0.07 | 24665890 | 28.86 |
| FIs | 14 | 0.06 | 104900 | 0.12 |
| Mutual Funds | 10 | 0.04 | 7000 | 0.01 |
| Financial Institutions/Banks | 15 | 0.06 | 31047170 | 36.32 |
| NRIs / OBCs | 338 | 1.29 | 6441604 | 7.54 |
| Bodies Corporates | 448 | 1.71 | 4437982 | 5.19 |
| Individuals Public | 25349 | 96.77 | 18788051 | 21.96 |
| Total | 26193 | 100.00 | 85492597 | 100.00 |

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

Shareholding pattern by size-class as on 31.03.2014

| Categories | No. of share Holders | % of share holders | No. of shares held (Amt.) | % of share holding |
|-----------------|----------------------|--------------------|---------------------------|--------------------|
| 1-500 | 21215 | 80.99 | 36543660 | 4.27 |
| 501-1000 | 2313 | 8.84 | 20051120 | 2.35 |
| 1001-2000 | 1143 | 4.36 | 18336320 | 2.14 |
| 2001-3000 | 455 | 1.74 | 11979370 | 1.40 |
| 3001-4000 | 214 | 0.82 | 7771560 | 0.91 |
| 4001-5000 | 237 | 0.90 | 11412660 | 1.33 |
| 5001-10000 | 328 | 1.25 | 24712110 | 2.89 |
| 10001 and above | 288 | 1.10 | 724119170 | 84.71 |
| Total | 26193 | 100.00 | 854925970 | 100.00 |

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 demat 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 97% 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 2012) 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, 2014 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 Meetings | |
| | 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,
5th Floor, 501, 9 Copia Corporate suites,
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 - C-1/1,2,3, Sector XXII, Industrial Area, Meerut Road,

Manufacturing Unit : Ghaziabad - 201 003
Uttar Pradesh

Deflection Yoke
Manufacturing Unit : - Plot no. 6, Sector 2, Industrial Area,
Parwanoo, Distt. Solan
Himachal Pradesh

CERTIFICATE

To,
The Members,
SAMTEL COLOR LIMITED
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, 2013 to March 31, 2014, 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, 2014

Directors' Report

To the Members

Samtel Color Limited

Dear Shareholders,

Your Directors have pleasure in presenting this 28th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2014.

Financial Results

The key financial highlights of the Company for the year ended 31st March 2014 are as under: -

(Rs in Crores)

| Particulars | Year ended 31-03-2014 | Year ended 31-03-2013 |
|---|--------------------------|--------------------------|
| Revenue from Operations | 00 | 75.15 |
| Other Income | 1.58 | 36.59 |
| Interest (Net) | 36.94 | 58.59 |
| Profit /(Loss) before Depreciation & Taxation | (81.98) | (241.98) |
| Depreciation/Misc. Expenses written off | 10.44 | 70.25 |
| Exceptional Items/Extraordinary Expenses/provisions : | | |
| - Impairment Loss against certain Plant and Machinery | 00 | 283.87 |
| Tax | 00 | 00 |
| Net Profit (Loss) for the year | (71.54) | (455.60) |
| Transfer from General Reserve | 00 | 00 |
| Profit/(Loss) carried forward to Balance Sheet | (798.02) | (726.48) |

Operations

The market and demand for color picture tubes in India remained subdued through out the year. The efforts of the Management to revive the manufacturing activities did not yield any result, thus all the production lines of the Company remain closed during the financial year under review.

Despite the constraints and difficulties the Company believes that there is still scope 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 total revenue generated by the Company during the year under review was Rs. 1.58 crores as compared to Rs. 103.27 crores in last financial year.

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 2014.

Directors

In terms of Section 161 of the Companies Act, 2013 and Articles of Association of the Company the Board of Directors in their meeting held on August 14, 2014 have appointed Mr. Uday Sethi as an additional Director. Mr. Sethi has been appointed as an Independent Director in terms of the provisions of Section 149(4) of the Companies Act, 2013 for a term of 5 years subject to the approval of Members of the Company. He holds the office upto the date of ensuing Annual General Meeting. Pursuant to Section 160 of the Companies Act, 2013 the Company has received a notice in writing from a member of the Company proposing his candidature for the office of Independent Director.. Your Directors recommend his appointment for your approval.

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

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Article 85 of the Articles of Association of the Company, Mr. Satish K Kaura, Director of the Company retire by rotation and being eligible offer himself for re-appointment.

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 28th 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, 2014, 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.

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 139 & 141 of the Companies Act, 2013. 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 taking necessary steps to streamline the restructured operations of some of the manufacturing facilities. Thus, the Company feels that it can operate as "Going Concern" in foreseeable future.
- (b) The Company has impaired the plant & machinery and its related stores & spares of some of its manufacturing facilities and provided for diminution in value of long term investments on the basis of applicable accounting standard.
- (c) The Company will obtain balance confirmation and reconciliation thereof from creditors/debtors in due course.
- (d) During the year, the fixed assets of the Company were not verified by the Management. However, the Management does not expect any major discrepancy.
- (e) Due to suspension of operations in all the locations the physical verification of inventory could not be done on March 31, 2014. However, the management is of the view that there are not any major discrepancies in inventory.
- (f) The Company has not booked the statutory liabilities on the provisions for expenses made during the year as the quantum of exact statutory liability can not be ascertained in the present scenario.

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, 2013 to March 31, 2014.

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 164 of the Companies Act, 2013. 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 'A' 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 and Government Authorities Shareholders, Customers, Suppliers and other business associates for their continued co-operation and patronage.

For and on Behalf of the Board



Satish K. Kaura

Chairman & Managing Director

Place: New Delhi

Date: May 30, 2014

Annexure 'A' to the Directors' Report

1. Conservation of Energy:

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

All the production/manufacturing operations of the Company have been shut down. Thus, there has been no production activity during the year under review.

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

There were no R & D activities carried out by the Company during the year under review.

b) Benefits derived as a result of the above activities

Since no R & D activities was carried out there have been no consequent benefits.

c) Future plan of action

The Company at present does not have any plan towards carrying out R & D activities.

d) Expenditure on R&D

| | <u>Rs Lacs</u> | |
|------------------------------|-------------------------------------|-------------------------------------|
| | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
| Recurring | 0 | 0 |
| Capital | 0 | 0 |
| Total | 0 | 0 |
| Percentage of total turnover | 0 | 0 |

1. Technology Absorption, Adoption & Innovation

No technology was absorbed, adopted or innovated during the year under review.

2. Foreign Exchange Earning/ Outgo:

Expenditure in Foreign Currency:

| | <u>Rs Lacs</u> | |
|----------------------|-------------------------------------|-------------------------------------|
| | For the Year ended 31.03.2014 | For the Year ended 31.03.2013 |
| CIF Value of Imports | 00 | 5201.71 |
| Others | 00 | 17.20 |
| Total | 00 | 5218.91 |

Earnings in Foreign Currency:

| | | |
|----------------------|----|----|
| FOB Value of Exports | 00 | 00 |
|----------------------|----|----|

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 2014, the Statement of Profit and Loss and the 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 gives 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') read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that gives 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, but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. 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

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



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

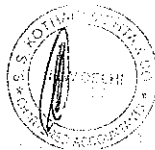
(i) The entire net worth of the Company has eroded completely; (ii) the Company has initiated the bidding process for the disposal of production lines 1 and 4 (non-core assets) out of 4 production lines at plant situated at Gautam Budh Nagar (Uttar Pradesh) after obtaining approval of CDR lenders and 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 reasoning to their over-dues; (iv) the Company has defaulted in repayment of loans as per CDR scheme and borrowings of other lenders, as elaborated in note no. 38 of the financial statements; (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 21,10,116 8% Non Convertible Cumulative Redeemable Preference Shares.

(C) We further reported in our audit report for the year ended on 31st March, 2013 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 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 lac; (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".

(D) We further report that during the year ended 31st March, 2014 the facts and situation mentioned above continues.

Further the Company has not complied with the provisions of clause 35 of listing agreement (submission of shareholding pattern) and requirements of SEBI circular no. D & CC/ FITTC/CIR-16/2002 dated 31.12.2002 regarding Reconciliation of Share Capital Audit Report, for the quarter ended 31st December 2013. Default still continues.



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.

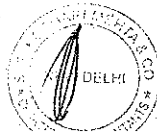
Qualified Opinion

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),(8) ,(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, maintenance of cost records, 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 2014;*
- 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.*

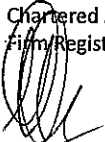
Report on Other Legal and Regulatory Requirements

- 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, read with the General circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 1956,*



- e) On the basis of written representations received from the directors as on 31st March 2014, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2014, 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: 30th May, 2014

ANNEXURE

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 that impacts the going concern. It may be noted that certain tangible assets of the Company are not in its possession due to various disputes.
- 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. 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.*

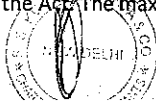
(c) *Due to the reasons mentioned in 2(a) above, we are unable to comment on the inventory records and discrepancies thereto.*
- 3)(a) The Company had granted unsecured loan to a Company covered in the register maintained under Section 301 of the Act. The maximum amount outstanding at any time during the year and year- end balance from them is ₹100 lacs and ₹ Nil lacs respectively.

(b) The rate of interest and other terms and conditions of loans given by the Company, was not *prima facie* prejudicial to the interest of the Company.

(c) This loan was repayable on demand. *However the receipt of the interest on this loan was 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 and ₹ 310.78 lacs respectively excluding interest thereon (which includes maximum outstanding and year-end balance of ₹70.30 lacs and ₹66.30 lacs respectively 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) 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, We are of the opinion that the *prescribed accounts and records have not been maintained. Therefore we are unable to comment on the accuracy and completeness of these records.*
- 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 ₹122.48 lacs of TDS, ₹0.40 lacs of TCS, ₹258.74 lacs of Provident Fund, ₹100.09 lacs, ₹140.50 lacs of Vat & CST, ₹259.93 lacs of Excise, ₹0.50 lacs of WCT and ₹331.74 lacs as interest on non payment/ delayed payment of various statutory dues.

- (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, 2014 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 |
| | Sales tax | F. Y. 2008-09 | Commercial Tax officer, Kota | 10.45 |
| | Sales Tax | F. Y. 2009-10 | Commercial Tax officer, Kota | 58.75 |
| Sales Tax | F. Y. 2010-11 | Commercial Tax officer, Kota | 1810.4 | |
| Sales Tax | F. Y. 2009-10 | Commercial Tax officer, Kota | 6.93 | |
| 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 |
| | Sales Tax | F. Y. 2009-10 | Joint commissioner of Commercial Taxes, Noida | 383.14 |
| Central Excise Act, | 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 |



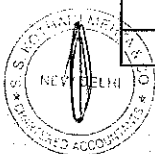
| Name of the Statute | Nature of Dues | Related Period | Forum where the dispute is pending | Amount |
|---------------------|----------------|------------------------|--|---------|
| 1944 | Excise Duty | F. Y. 1996-97 | Hon'ble High Court, Allahabad | 86.50 |
| | Excise Duty | F. Y. 1997-98 | Hon'ble 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 |
| | 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 |
| R VAT Act, 2003 | Sales tax | F. Y. 2008-09 | Commercial Tax Officer, Kota | 4.95 |
| M VAT Act, 2002 | Sales Tax | F. Y. 2009-10 | Deputy Commissioner of Sales Tax - Aurangabad | 339.02 |



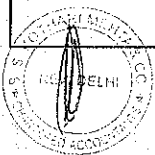
| Name of the Statute | Nature of Dues | Related Period | Forum where the dispute is pending | Amount |
|----------------------|------------------|----------------|--|--------|
| Income Tax Act, 1961 | Income Tax | A.Y. 2005-06 | Commissioner of Income Tax (Appeal) | 245.03 |
| | Income Tax (TDS) | F.Y. 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, 2014 of ₹ 72,721.75 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 | |
|----------------|------------------------|-----------|--------------|-------------------------|------------------|----------------|
| | | | | | 31st Mar, 2014 | 30th May, 2014 |
| Principal | 93.48 | 31-Mar-11 | Not Yet Paid | Not Applicable | 1096 | 1156 |
| | 2726.58 | 30-Jun-11 | | | 1005 | 1065 |
| | 22.34 | 15-Aug-11 | | | 959 | 1019 |
| | 2427.28 | 30-Sep-11 | | | 913 | 973 |
| | 31.55 | 31-Oct-11 | | | 882 | 942 |
| | 17.5 | 15-Nov-11 | | | 867 | 927 |
| | 766.39 | 31-Dec-11 | | | 821 | 881 |
| | 17.5 | 15-Feb-12 | | | 775 | 835 |
| | 860.81 | 31-Mar-12 | | | 730 | 790 |
| | 17.5 | 15-May-12 | | | 685 | 745 |
| | 829.26 | 30-Jun-12 | | | 639 | 699 |
| | 17.5 | 15-Aug-12 | | | 593 | 653 |
| | 829.26 | 30-Sep-12 | | | 547 | 607 |
| | 17.5 | 15-Nov-12 | | | 501 | 561 |
| | 829.27 | 31-Dec-12 | | | 455 | 515 |
| 17.5 | 15-Feb-13 | 409 | 469 | | | |



| | | | | | | |
|----------|--------|-----------|--------------|----|----------------|------|
| | 829.27 | 31-Mar-13 | | | 365 | 425 |
| | 17.5 | 31-May-13 | | | 304 | 364 |
| | 552.42 | 30-Jun-13 | | | 274 | 334 |
| | 17.5 | 31-Aug-13 | | | 212 | 272 |
| | 552.42 | 30-Sep-13 | | | 182 | 242 |
| | 17.5 | 30-Nov-13 | | | 121 | 181 |
| | 552.42 | 31-Dec-13 | | | 90 | 150 |
| | 17.5 | 28-Feb-14 | | | 31 | 91 |
| | 554.07 | 31-Mar-14 | | | 0 | 60 |
| | | | 15-Apr-11 | 15 | | |
| | | | 15-Apr-11 | 15 | | |
| | | | 15-Apr-11 | 15 | | |
| | 132 | 31-Mar-11 | 04-May-11 | 5 | | |
| | | | 04-Jun-11 | 6 | | |
| | | | 04-Jul-11 | 7 | | |
| | 0.56 | 31-May-11 | | | 1035 | 1095 |
| | 1.17 | 30-Jun-11 | | | 1005 | 1065 |
| | 107.21 | 31-Jul-11 | | | 974 | 1034 |
| | 107.21 | 31-Aug-11 | | | 943 | 1003 |
| | 134.18 | 30-Sep-11 | | | 913 | 973 |
| | 144.18 | 31-Oct-11 | | | 882 | 942 |
| | 144.18 | 30-Nov-11 | | | 852 | 912 |
| | 144.18 | 31-Dec-11 | | | 821 | 881 |
| | 154.21 | 31-Jan-12 | | | 790 | 850 |
| | 154.21 | 28-Feb-12 | | | 762 | 822 |
| | 154.21 | 31-Mar-12 | | | 730 | 790 |
| | 203.61 | 30-Apr-12 | Not Yet Paid | | 700 | 760 |
| | 203.61 | 31-May-12 | | | 669 | 729 |
| | 203.61 | 30-Jun-12 | | | 639 | 699 |
| | 203.61 | 31-Jul-12 | | | 608 | 668 |
| | 203.61 | 31-Aug-12 | | | 577 | 637 |
| | 203.61 | 30-Sep-12 | | | 547 | 607 |
| | 203.61 | 31-Oct-12 | | | 516 | 576 |
| | 203.61 | 30-Nov-12 | | | 486 | 546 |
| | 203.61 | 31-Dec-12 | | | 455 | 515 |
| | 203.61 | 31-Jan-13 | | | 424 | 484 |
| | 203.61 | 28-Feb-13 | | | 396 | 456 |
| | 232.22 | 31-Mar-13 | | | 365 | 425 |
| | 614.71 | 30-Jun-13 | | | 274 | 334 |
| | 629.28 | 30-Sep-13 | | | 182 | 242 |
| Interest | | | | | Not Applicable | |




| | | | | | | |
|--|--------|----------------------------------|--------------|----------------|--------------------|-----|
| | 9.09 | 31-Dec-13 | | | 90 | 150 |
| | 7.65 | 31-Mar-14 | | | 0 | 60 |
| Penal Interest on Default of Principal | 573.34 | Upto 31 st March 2013 | Not yet paid | Not Applicable | More than 730 days | |
| | 127.27 | April 2013 to Mar 2014 | | | 365 | |

- 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 ₹1,651.53 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 ₹41,933.35 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: 30th May, 2014

NOTE 1: OVERVIEW

The Company having its registered office at 5th floor, 501, Copia Corporate Suites, 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.



SAMTEL COLOR LIMITED

Balance Sheet as at 31st March, 2014

(Figures in Rs.lacs)

| Particulars | Note No. | As At | |
|---|----------|------------------|------------------|
| | | 31st March, 2014 | 31st March, 2013 |
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 11,628.84 | 11,628.84 |
| (b) Reserves and Surplus | 4 | (72,721.75) | (65,567.84) |
| (c) Money Received against Share Warrants | 5 | 3,000.00 | 3,000.00 |
| (2) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 6 | 12,722.98 | 14,707.51 |
| (b) Long Term Provisions | 7 | 1,959.82 | 1,823.32 |
| (3) Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | 16,056.80 | 15,592.20 |
| (b) Trade Payables | 9 | 14,767.02 | 14,031.01 |
| (c) Other Current Liabilities | 10 | 35,248.96 | 29,687.73 |
| (d) Short Term Provisions | 11 | 320.29 | 311.52 |
| Total | | 22,982.96 | 25,214.29 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 13,208.16 | 14,248.36 |
| (ii) Intangible Assets | | 4.42 | 8.96 |
| (b) Non-Current Investments | 13 | 538.16 | 1,476.03 |
| (c) Long Term Loans and Advances | 14 | 320.05 | 343.09 |
| (2) Current Assets | | | |
| (a) Inventories | 15 | 1,447.87 | 1,570.29 |
| (b) Trade Receivables | 16 | 6,121.55 | 5,950.72 |
| (c) Cash and Bank Balances | 17 | 34.05 | 71.36 |
| (d) Short Term Loans and Advances | 18 | 1,307.79 | 1,535.70 |
| (e) Other Current Assets | 19 | 0.91 | 9.78 |
| Total | | 22,982.96 | 25,214.29 |

Significant Accounting Policies

1 & 2

See accompanying notes to financial statements

In terms of our report of even date

For S. KOTHARI MEHTA & CO.

Chartered Accountants

FRN 030756N



K. K. TULSHAN

Partner

Membership No. 085033

For & on behalf of the Board of Directors

Satish K. Kaura

Satish K. Kaura
Chairman & Managing
Director

Alka Kaura

Alka Kaura
Director

Prabhat Kumar Nanda

Prabhat Kumar Nanda
Company Secretary

Place : New Delhi

Date : May 30, 2014

SAMTEL COLOR LIMITED

Statement of Profit and Loss for the year ended 31st March, 2014

[Figures in Rs. lacs]

| Particulars | Note No. | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|----------|-------------------------------------|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations (Gross) | 20 | - | 7,515.02 |
| Less: Excise Duty | | - | 847.68 |
| Revenue from Operations (Net) | | - | 6,667.34 |
| Other Income | 21 | 157.64 | 3,659.36 |
| Total Revenue | | 157.64 | 10,326.70 |
| EXPENSES | | | |
| Cost of Materials Consumed | 22 | - | 6,183.73 |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade | 23 | 166.75 | (134.86) |
| Employee Benefit Expenses | 24 | 994.40 | 4,790.50 |
| Financial Costs | 25 | 3,694.09 | 5,858.50 |
| Depreciation and Amortization Expenses | | 1,044.07 | 7,025.41 |
| Other Expenses | 26 | 1,412.24 | 3,776.33 |
| Total Expenses | | 7,311.55 | 27,499.61 |
| Profit/(Loss) Before Exceptional Items and Tax | | (7,153.91) | (17,172.91) |
| Exceptional Items: | | | |
| Impairment Loss in respect of retirement of Plant & Machinery and related Stores & Spares | 27 | - | 28,387.41 |
| Profit/(Loss) Before Tax | | (7,153.91) | (45,560.32) |
| Tax Expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Profit/(Loss) for the year | | (7,153.91) | (45,560.32) |
| Earnings per Equity Share of Face Value of Rs. 10 each | 29 | | |
| (1) Basic (in Rs.) | | (9.78) | (54.47) |
| (2) Diluted (in Rs.) | | (9.78) | (54.47) |

Significant Accounting Policies 1 & 2
See accompanying notes to financial statements

In terms of our report of even date

For S. KOTHARI MEHTA & CO.
Chartered Accountants
FRN: 000756N



K. K. TULSHAN
Partner
Membership No. 085033

For & on behalf of the Board of Directors

Satish K. Kaura
Satish K. Kaura
Chairman & Managing Director

Alka Kaura
Alka Kaura
Director

Prabhat Kumar Nanda
Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date: May 30, 2014

SAWTEL COLOR LIMITED
Cash Flow Statement for the year ended 31st March, 2014

(Figures in Rs. lacs)

| Particulars | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|--|--|
| A. Cash Flow from Operating Activities: | | |
| Profit Before Tax After Prior Period Adjustments | (7,153.91) | (45,560.32) |
| Adjustment for : | | |
| - Depreciation / Amortisation | 1,044.07 | 7,025.41 |
| - Loss / (Gain) on Sale of Fixed Assets (net) | - | 1.01 |
| - Interest Expenses | 3,694.09 | 5,858.50 |
| - Interest Income | (4.47) | (32.69) |
| - Liabilities no longer required, Written Back | - | (3,283.87) |
| - Provision for Gratuity and Leave Encashment | 136.50 | 570.74 |
| - Provision for Wealth Tax | - | (0.10) |
| - Impairment Loss of Plant and Machinery and Spares | - | 28,387.41 |
| - Provision for Obsolete Inventory | - | 294.47 |
| - Provision for Diminution in Investments | 937.87 | 841.48 |
| - Provision for Doubtful Debts and Advances | 6.07 | - |
| Operating Profit Before Working Capital Changes | (1,339.78) | (5,897.96) |
| Adjustment for : | | |
| - Trade and Other Receivables | (176.90) | (5,692.64) |
| - Inventories | 122.42 | (423.04) |
| - Loans and Advances | 260.28 | 2,723.32 |
| - Trade and Other Payables | 6,306.01 | 16,276.25 |
| Cash Generated from Operations | 5,172.03 | 6,985.93 |
| Income Tax Paid | (0.45) | (41.53) |
| Total | 5,171.58 | 6,944.40 |
| B. Cash Flow from Investing Activities: | | |
| Sale / Adjustment from Fixed Assets | 0.67 | 4.60 |
| Interest Received | 4.47 | 32.69 |
| Total | 5.14 | 37.29 |
| C. Cash Flow from Financing Activities: | | |
| Proceeds/ (Repayments) of Long Term Borrowings (net) | (1,519.94) | (1,365.91) |
| Dividend and Dividend Tax Paid | - | 11.04 |
| Interest Paid | (3,694.09) | (5,858.50) |
| Total | (5,214.03) | (7,213.37) |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | (37.31) | (231.68) |
| Cash and Cash Equivalents as at 01-04-2013 (Opening Balance) | 71.36 | 303.04 |
| Cash and Cash Equivalents as at 31-03-2014 (Closing Balance) | 34.05 | 71.36 |

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

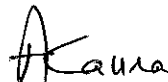
For and on behalf of the Board of Directors


For S. Kothari Mehta & Co.
Chartered Accountants
BIN 300756N

K.K. TULSIAN
Partner
Membership No. 085033




Satish K. Kaura
Chairman and Managing
Director


Alka Kaura
Director


Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : May 30, 2014

3. SHARE CAPITAL

(Figures in Rs. lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| AUTHORISED | | |
| 12,49,90,000 nos. (Previous Year 12,49,90,000 nos.) Equity Shares of Rs.10 each | 12,499.00 | 12,499.00 |
| 50,01,000 nos. (Previous Year 50,01,000 nos.) Redeemable Preference Shares of Rs.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 Rs.10 each | 8,549.86 | 8,549.86 |
| 21,10,116 nos. (Previous Year 21,10,116 nos.) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs.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 Rs.100 each | 969.16 | 969.16 |
| | <u>11,629.14</u> | <u>11,629.14</u> |
| SUBSCRIBED AND FULLY PAID - UP | | |
| 8,54,92,597 nos.* (Previous Year 8,54,92,597 nos.) Equity Shares of Rs.10 each fully paid - up | 8,549.26 | 8,549.26 |
| Add : Forfeited Equity Shares pending reissue 6,000 nos. Shares (Previous year 6,000 nos.) Rs. 5 paid-up | 0.30 | 0.30 |
| 21,10,116 nos. (Previous Year 21,10,116 nos.) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs.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 Rs.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 Rs.10 each are held by Paramount Capfin Lease Pvt. Ltd., a Subsidiary Company.

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

| | No. of Shares | No. of Shares |
|---|-------------------|-------------------|
| i) Equity Shares | | |
| Outstanding at the beginning of the year (including Forfeited 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 | | |
| 8% 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 Rs.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 8% Non Convertible Cumulative Redeemable Preference Shares having a par value of Rs.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 installments commencing from June 2017 at a value of Rs.527.51 lacs each.

The Company has one class of 0% Non Convertible Cumulative Redeemable Preference Shares having a par value of Rs.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 Rs.60.02 lacs were due for redemption at par in June 2011 & amounting to Rs.909.14 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 | 4,831,615 | 5.65% | 4,831,615 | 5.65% |
| Samtel India Limited | 5,922,900 | 6.93% | 5,922,900 | 6.93% |
| Teletube 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% |
| Punjab 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 | 473,846 | 48.89% | 473,846 | 48.89% |
| 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, Rs.3,000 lacs against which 2,06,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of Rs.10.00 each at a premium of Rs. 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 6,000 number of Equity Shares having par value of Rs.10 on which Rs. 5 was paid up. These Shares were forfeited on 23 July, 1992. These Shares are available for reissue.

(Figures in Rs. lacs)

4 RESERVES AND SURPLUS

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| a) Capital Reserve | | |
| As per last Financial Statements | 460.07 | 460.07 |
| Add : Additions during the year | - | - |
| Less: Deduction during the year | - | - |
| Closing Balance | <u>460.07</u> | <u>460.07</u> |
| b) Share Premium | | |
| As per last Financial Statements | 6,619.98 | 6,619.98 |
| Add : Additions during the year (refer note no. 43) | - | - |
| Less : Transferred during the year | - | - |
| Closing Balance | <u>6,619.98</u> | <u>6,619.98</u> |
| c) Investment Allowance (Utilised) Reserve | | |
| As per last Financial Statements | - | - |
| Add : Additions during the year | - | - |
| Less : Transferred to General Reserve | - | - |
| Closing Balance | <u>-</u> | <u>-</u> |
| 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 | <u>-</u> | <u>-</u> |
| e) Surplus in Statement of Profit and Loss | | |
| As per last Financial Statements | (72,647.89) | (27,087.57) |
| Add: During the year | (7,153.91) | (45,560.32) |
| Add: Transfer from General Reserve | - | - |
| Net Surplus in the Statement of Profit and Loss | <u>(79,801.80)</u> | <u>(72,647.89)</u> |
| Total Reserves & Surplus | <u>(72,721.75)</u> | <u>(65,567.84)</u> |
| 5 Money received against Share Warrants* | <u>3,000.00</u> | <u>3,000.00</u> |

* The Company had received in 2010-11, Rs.3,000 lacs against which 2,06,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of Rs.10.00 each at a premium of Rs.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 Rs.lacs) | |
|----------|---|----------------------|------------------|
| | | As at | As at |
| | | 31st March, 2014 | 31st March, 2013 |
| 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 | 1,055.01 | 1,055.01 |
| | (Redeemable at premium of 150% in 2016-17 and 2017-18) | | |
| | Zero Coupon Bond | 484.63 | 484.63 |
| | (Redeemable at par Rs. 484.63 lacs in 2011-12) | | |
| | | 1,539.64 | 1,539.64 |
| ii) | Term Loans | | |
| | From Banks * | 23,851.66 | 23,752.11 |
| | Others - from LIC of India | 494.72 | 494.72 |
| | | 24,346.38 | 24,246.83 |
| iii) | Long-Term Maturity of Finance Lease Obligation | | |
| iv) | Less: Current portion of Long Term Borrowings | | |
| | Current Maturities | (1,877.78) | (2,281.34) |
| | Overdue Maturities | (12,568.54) | (10,287.20) |
| | Secured Long-Term Borrowings | 11,439.70 | 13,217.93 |
| b) | Unsecured Long Term Borrowings (refer to note no. 6.G to 6.I below) | | |
| i) | Term Loans | | |
| | From Banks (foreign currency loan) | 69.71 | 63.09 |
| | Others - from Centre for Scientific & Industrial Research | 2,028.00 | 2,028.00 |
| | Loans and Advances | | |
| | From Related Parties | 244.48 | 244.48 |
| | From Director | 42.30 | 42.30 |
| | Less: Current portion of Long Term Borrowings | | |
| | Current Maturities | (206.30) | (206.30) |
| | Overdue Maturities | (894.91) | (681.99) |
| | Unsecured Long-Term Borrowings | 1,283.28 | 1,489.58 |
| | Total Long-Term Borrowings | 12,722.98 | 14,707.51 |

* Includes Foreign Currency Loans of Rs.1,047.76 lacs (Previous year Rs.948.21 lacs)

6.A The Zero Coupon Bond, Term Loan from Bank and Financial Institution amounting to Rs.25,476.99 lacs (Previous year Rs.25,394.22 lacs) are Secured as under:-

- i) Hypothecation charge is 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 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.
 - ii) Personal Guarantee of Mr. Satish K. Kaura, Chairman and Managing Director.
 - iii) 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).
 - iv) 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.
- Rupee 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 Rs.232.34 lacs (Previous year Rs.232.34 lacs) and personal guarantee of Mr. Satish K. Kaura, Chairman and Managing Director of the Company.

6.C Foreign Currency Loan from Rabo Bank Limited secured by way of first pari-passu charge created on immovable assets of the Company situated at Plot no. 2, Greater Noida Industrial Area, Gautam Budha Nagar, U.P. for Rs.176.69 lacs (Previous year Rs.159.90 lacs).



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

(Figures in Rs.lacs)

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|-----------------|---|---|------------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0%) | |
| Current Year | | | | |
| 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 | 1,800.61 | - | 2,644.62 |
| Total | 1,055.01 | 12,262.47 | - | 13,317.48 |
| Previous Year | | | | |
| 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 | 1,701.05 | - | 2,545.06 |
| Total | 1,055.01 | 14,444.26 | - | 15,499.27 |

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

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|---------------|---|---|------------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0%) | |
| Current Year | | | | |
| 2010-11 | - | 22.84 | 70.64 | 93.48 |
| 2011-12 | 484.63 | 5,897.95 | 424.08 | 6,806.66 |
| 2012-13 | - | 3,387.06 | - | 3,387.06 |
| 2013-14 | - | 2,281.34 | - | 2,281.34 |
| Total | 484.63 | 11,589.19 | 494.72 | 12,568.54 |
| Previous Year | | | | |
| 2010-11 | - | 22.84 | 70.64 | 93.48 |
| 2011-12 | 484.63 | 5,897.95 | 424.08 | 6,806.66 |
| 2012-13 | - | 3,387.06 | - | 3,387.06 |
| Total | 484.63 | 9,307.85 | 494.72 | 10,287.20 |

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

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|---|---------------|---|---|-----------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0% and 10%) | |
| Current Year | | | | |
| 2011-12 | - | 1,245.47 | - | 1,245.47 |
| 2012-13 | - | 2,409.81 | 49.46 | 2,459.27 |
| 2013-14 | - | 1,228.96 | 24.80 | 1,253.76 |
| Total | - | 4,884.24 | 74.26 | 4,958.50 |
| Provision for Penal Interest - rate of interest | | 2% | 2% and 12% | |
| Upto 31st March 2013 | - | 520.23 | 50.34 | 570.57 |
| 1st April 2013 to 31st March 2014 | - | 120.92 | 4.96 | 125.88 |
| | - | 641.15 | 55.30 | 696.45 |
| Grand Total | - | 5,525.39 | 129.56 | 5,654.95 |
| Previous Year | | | | |
| 2011-12 | - | 1,245.47 | - | 1,245.47 |
| 2012-13 | - | 2,409.81 | 49.46 | 2,459.27 |
| Total | - | 3,655.28 | 49.46 | 3,704.74 |
| Provision for Penal Interest - rate of interest | | 2% | 2% and 12% | |
| Upto 31st March 2012 | - | 342.35 | 40.44 | 382.79 |
| 1st April 2012 to 31st March 2013 | - | 177.88 | 9.90 | 187.78 |
| Total | - | 520.23 | 50.34 | 570.57 |
| Grand Total | - | 4,175.51 | 99.80 | 4,275.31 |



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

(Figures in Rs.lacs)

| Financial Year/ Rate of Interest | Term Loan from Foreign Bank | Term Loan from Others (3%) | Loans from Related Parties (8% and 0%) | Total |
|----------------------------------|-----------------------------|----------------------------|--|-----------------|
| Current Year | | | | |
| 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 | - | 1,202.80 | 286.78 | 1,489.58 |
| Previous Year | | | | |
| 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 | - | 1,409.10 | 286.78 | 1,695.88 |

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

| | | | | |
|----------------------|--------------|---------------|---|---------------|
| Current Year | | | | |
| 2010-11 | - | 206.30 | - | 206.30 |
| 2011-12 | 69.71 | 206.30 | - | 276.01 |
| 2012-13 | - | 206.30 | - | 206.30 |
| 2013-14 | - | 206.30 | - | 206.30 |
| Total | 69.71 | 825.20 | - | 894.91 |
| Previous Year | | | | |
| 2010-11 | - | 206.30 | - | 206.30 |
| 2011-12 | 63.09 | 206.30 | - | 269.39 |
| 2012-13 | - | 206.30 | - | 206.30 |
| Total | 63.09 | 618.90 | - | 681.99 |

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

| | | | | |
|---|--------------|---------------|--------------|---------------|
| Current Year | | | | |
| 2010-11 | - | 202.56 | - | 202.56 |
| 2011-12 | - | 101.97 | 22.94 | 124.91 |
| 2012-13 | 6.31 | 60.84 | 22.94 | 90.09 |
| 2013-14 | 6.98 | 60.84 | 22.94 | 90.76 |
| Total | 13.29 | 426.21 | 68.82 | 508.32 |
| Provision for Penal Interest - rate of interest | 12% | 9% | | |
| Upto 31st March 2013 | 2.77 | 82.00 | - | 84.77 |
| 1st April 2013 to 31st March 2014 | 1.39 | 63.38 | - | 64.77 |
| Total | 4.16 | 145.38 | - | 149.54 |
| Grand Total | 17.45 | 571.59 | 68.82 | 657.86 |
| Previous Year | | | | |
| 2010-11 | - | 202.56 | - | 202.56 |
| 2011-12 | - | 101.97 | 22.94 | 124.91 |
| 2012-13 | 6.31 | 60.84 | 22.94 | 90.09 |
| Total | 6.31 | 365.37 | 45.88 | 417.56 |
| Provision for Penal Interest - rate of interest | 12% | 9% | | |
| Upto 31st March' 2012 | 1.51 | 37.18 | - | 38.69 |
| 1st April 2012 to 31st March 2013 | 1.26 | 44.82 | - | 46.08 |
| Total | 2.77 | 82.00 | - | 84.77 |
| Grand Total | 9.08 | 447.37 | 45.88 | 502.33 |

** 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 Rs.lacs) | |
|-----------|---|----------------------|------------------|
| | | As at | As at |
| | | 31st March, 2014 | 31st March, 2013 |
| 7 | LONG-TERM PROVISIONS | | |
| | Provision for Employee Benefits (refer note no. 31) | | |
| | Leave Encashment | 120.36 | 120.36 |
| | Gratuity | 1,839.46 | 1,702.96 |
| | Total Long Term Provisions | 1,959.82 | 1,823.32 |
| 8 | SHORT-TERM BORROWINGS | | |
| a) | Secured Short-Term Borrowings | | |
| | Loans Repayable on Demand | | |
| | From Banks (refer note 8.A and 8.B) | 15,538.72 | 15,070.12 |
| | Secured Short Term Borrowings | 15,538.72 | 15,070.12 |
| 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 | 24.00 | 28.00 |
| | Unsecured Short Term Borrowings | 518.08 | 522.08 |
| | Total Short Term Borrowings | 16,056.80 | 15,592.20 |

8.A Loans (against devolved Letter of Credits, which includes interest amount debited by one of the bank) of Rs. 15,538.72 lacs (Previous year Rs. 15,070.12 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 Rs.15,538.72 lacs (Previous year Rs. 15,070.12 lacs) were due for payment upto 2012-13.

The rate of interest thereon varies from 4 % to 12 %. The amount of interest due upto 31.3.2014 but not paid is Rs. 2,990.77 lacs (Previous year Rs. 2,270.92 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 Rs. 494.08 lacs (Previous year Rs. 494.08 lacs) were due for payment upto 2012 - 13. The rate of interest is 12 %. The amount of interest due upto 31.3.2014 but not paid is Rs.152.49 lacs (Previous year Rs.93.16 lacs) - included in note no. 10.



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| 9 TRADE PAYABLES | | |
| Outstanding dues of Micro, Small and Medium Enterprises ** | 243.84 | 230.25 |
| Outstanding dues of creditors other than Micro, Small and Medium Enterprises | 14,523.18 | 13,800.76 |
| Total Trade Payables | 14,767.02 | 14,031.01 |

** 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 | 15,547.53 | 13,456.83 |
| b) Interest Accrued but not due on Borrowings | 1,068.79 | 989.44 |
| c) Interest Accrued and due | 9,510.06 | 7,141.72 |
| d) Other Payables | | |
| Payable to Employees | 4,560.95 | 3,538.56 |
| Statutory Dues | 1,573.42 | 1,509.23 |
| Advance from Customers and Dealers | 1,299.30 | 1,299.30 |
| Security Deposits and Advances | 31.87 | 31.87 |
| Creditors for Expenses | 1,657.04 | 1,720.78 |
| Total Other Current Liabilities | 35,248.96 | 29,687.73 |

| | | |
|--|---------------|---------------|
| 11 SHORT TERM PROVISIONS | | |
| a) Provision for Employee Benefits (refer note no. 31) | | |
| Leave Encashment | 13.71 | 13.71 |
| Gratuity | 283.98 | 275.21 |
| b) Other Provisions | | |
| Provision for Taxation-Wealth Tax | 0.15 | 0.15 |
| Provision for Warranty : | | |
| Opening Balance | 22.45 | 34.31 |
| Add : Provisions made during the year | - | 19.82 |
| Less : Provisions utilised / reversed during the year | - | 31.68 |
| Closing Balance | 22.45 | 22.45 |
| Total Short Term Provisions | 320.29 | 311.52 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

NOTE 12: FIXED ASSETS

| Particulars | Gross Carrying Value | | | | Depreciation/Impairment | | Net Carrying Value | |
|--|-------------------------------|-----------|-------------|------------|--------------------------------|---------------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2013 | Additions | Disposals | Impairment | Balance as at 31st March, 2014 | Depreciation for the year | Balance as at 31st March, 2014 | Balance as at 31st March, 2013 |
| Freehold Land | 93.62 | - | - | - | 93.62 | - | 93.62 | 93.62 |
| Leasehold Land | 1,295.67 | - | - | - | 1,295.67 | 13.69 | 1,096.27 | 1,109.96 |
| Leasehold Improvements | 114.96 | - | - | - | 114.96 | - | 114.96 | - |
| Factory Building | 11,453.48 | - | - | - | 11,453.48 | 375.13 | 4,654.97 | 7,173.64 |
| Non-Factory Building | 619.55 | - | - | - | 619.55 | 9.82 | 459.74 | 469.56 |
| Plant and Machinery | 31,993.25 | - | - | - | 31,993.25 | 587.23 | 4,500.14 | 5,087.37 |
| Furniture, Fixtures and Office Equipment | 935.11 | - | - | - | 935.11 | 41.83 | 235.50 | 277.33 |
| Vehicles (acquired on Finance Lease) | 160.73 | - | 2.71 | - | 158.02 | 11.83 | 24.38 | 36.88 |
| Total | 46,666.37 | - | 2.71 | - | 46,666.66 | 1,039.53 | 13,208.16 | 14,248.36 |
| Previous Year | 112,294.00 | - | 34.71 | 65,592.92 | 46,666.37 | 7,021.31 | 14,248.36 | 49,252.32 |

INTANGIBLE ASSETS

| Particulars | Gross Carrying Value | | | | Amortisation | | Net Carrying Value | |
|--------------------------------------|-------------------------------|-----------|------------------------|-------------------|--------------------------------|---------------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2013 | Additions | Disposals/ Adjustments | Other Adjustments | Balance as at 31st March, 2014 | Depreciation for the year | Balance as at 31st March, 2014 | Balance as at 31st March, 2013 |
| Goodwill | 120.01 | - | - | - | 120.01 | - | 120.01 | - |
| Technical Designs / Drawings | 1,153.87 | - | - | - | 1,153.87 | 4.54 | 1,149.45 | 8.96 |
| Software for Internal Use (acquired) | 427.18 | - | - | - | 427.18 | - | 427.18 | - |
| Total | 1,701.06 | - | - | - | 1,699.10 | 4.54 | 1,696.64 | 8.96 |
| Previous Year | 1,701.06 | - | - | - | 1,688.00 | 4.10 | 1,692.10 | 13.06 |

| Capital Work-in-Progress | |
|--------------------------|------------|
| Total Block | 48,367.43 |
| Previous Year | 113,995.06 |

Capital Work-in-Progress

NOTES:

a) Previous year, 2012-13, Impairment amount includes Rs.65,592.92 (net of residual value of Rs.1,680.00) in 2012-13, (Rs.15,478.94) in 2011-12 (net of residual value of Rs.554.57) being adjustment of gross cost and Rs.37,615.87 in 2012-13 (Rs.11,612.03) in 2011-12) being adjustment of accumulated depreciation as impairment less in respect of certain Plant and Machineries retired from active use. During the year, previous years impairment has been done on the management estimated value, which is similar to previous year's basis of impairment i.e. reserve price approved by the CDR lenders on the basis of valuation report of bank empanelled valuers and bids received from the bidders. (Refer note no.38 (b)).

b) 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 Rs.1,013.91 (gross cost Rs.19,798.58) being the excess of the written down value over the existing use value, had been charged to the Statement of Profit and Loss. (Refer note no. 34).



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| 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 Rs.10 each | 295.20 | 295.20 |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | (284.58) | (284.58) |
| | 10.62 | 10.62 |
| 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 Rs.10 each | 2,790.87 | 2,790.87 |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | (2,478.25) | (1,540.38) |
| | 312.62 | 1,250.49 |
| Total Non-Current Trade Investment | 323.24 | 1,261.11 |
| ii) Other Investments | | |
| A) UNQUOTED EQUITY SHARES | | |
| Equity Shares of Coromandal Stamp Ltd. 40,000 nos. (Previous year 40,000 nos.) Equity Shares of Rs.10 each | 4.00 | 4.00 |
| Equity Shares of Dolsun Containers (Pvt.) Ltd. 64,000 nos. (Previous year 64,000 nos.) Equity Shares of Rs.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 Rs. 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 Rs.10 each | 4.54 | 4.54 |
| | 204.52 | 204.52 |
| Total Non-Current Other Investment | 214.92 | 214.92 |
| Total Non-Current Investment | 538.16 | 1,476.03 |
| Aggregate Book value of Quoted Investments | 295.20 | 295.20 |
| Market Value of Quoted Investments | 29.14 | 33.29 |
| Aggregate Book Value of Unquoted Investments | 527.54 | 1,465.41 |
| Aggregate Provision for Diminution in Value of Investment | 2,762.83 | 1,824.96 |

* 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 Leasehold Land.

14 LONG TERM LOANS & ADVANCES

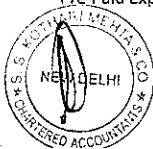
| | | |
|---|---------------|---------------|
| A) Unsecured, Considered Good | | |
| Security Deposits | 320.05 | 343.09 |
| Total Long Term Loans & Advances | 320.05 | 343.09 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| 15 INVENTORIES (as taken, valued and verified by management) | | |
| a) Raw Materials | | |
| Raw Materials at Site * | 699.17 | 699.17 |
| b) Work-in-Process ** | 296.16 | 425.33 |
| c) Finished Goods | 82.27 | 82.27 |
| d) Stock - in - Trade | 6.75 | - |
| e) Stores & Spares | 363.52 | 363.52 |
| Total Inventories | 1,447.87 | 1,570.29 |
| * Includes inventory amounting to Rs.311.90 lacs (Previous year Rs.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 Rs. 55.22 lacs (Previous year Rs. 55.22 lacs) 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 | 5,950.72 | - |
| Considered Doubtful | 489.33 | 489.33 |
| Less: Provision for Bad and Doubtful Debts | (489.33) | (489.33) |
| Others | | |
| Considered Good | 170.83 | 5,950.72 |
| Total Trade Receivable | 6,121.55 | 5,950.72 |
| 17 CASH & BANK BALANCES | | |
| a) Cash & Cash Equivalents | | |
| Cash on Hand | 0.02 | 5.79 |
| Bank Balances in Current Accounts | 34.03 | 35.57 |
| b) Other Bank Balances | | |
| i) Banks with Earmarked Balances | | |
| Earmarked for Unpaid Dividend | - | - |
| Earmarked Fixed Deposit | - | 30.00 |
| ii) Banks Deposits | | |
| Deposits with original Maturity upto Twelve Months | - | - |
| Total Cash & Bank Balances | 34.05 | 71.36 |
| 18 SHORT TERM LOANS & ADVANCES | | |
| a) Loans and Advances to Related Parties | | |
| Unsecured, Considered Good | 591.47 | 687.09 |
| b) Loans and Advances to Others | | |
| Unsecured, Considered Good | 109.62 | 112.89 |
| Doubtful | 455.74 | 455.74 |
| Less: Provision for Doubtful Advances | (455.74) | (455.74) |
| c) Security Deposit | - | 118.57 |
| d) Other Loans and Advances | | |
| Balances with Statutory/Government Authorities | 532.44 | 543.34 |
| Advance Income Tax / TDS | 74.26 | 73.81 |
| Total Short Term Loans & Advances | 1,307.79 | 1,535.70 |
| 19 OTHER CURRENT ASSETS | | |
| Pre-Paid Expenses | 0.91 | 9.78 |
| Total Other Current Assets | 0.91 | 9.78 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|--|--|--|
| 20 REVENUE FROM OPERATIONS (Refer note no. 47) | | |
| a) Sale of Products | | |
| Finished Goods | - | 8,316.98 |
| Less: Inter-Division Transfer | - | 844.76 |
| | - | <u>7,472.22</u> |
| b) Other Operating Revenues | | |
| Scrap Sale | - | 42.80 |
| Export Incentives | - | - |
| | - | <u>42.80</u> |
| Total Revenue from Operations | - | <u>7,515.02</u> |
| Less-Excise Duty | - | 847.68 |
| Net Revenue from Operations | - | <u>6,667.34</u> |
| 21 OTHER INCOME | | |
| a) Interest Income | 4.47 | 32.69 |
| b) Other Non Operating Income | | |
| Sale of Defective Items (net of excise duty of Rs. 15.78 lacs) | 153.17 | - |
| Profit on Sale / Transfer of Fixed Assets | - | 1.67 |
| Commission Received | - | 340.00 |
| Liability / Provisions no Longer Required, Written Back (Refer note no. 44) | - | 3,283.87 |
| Others | - | 1.13 |
| Total Other Income | <u>157.64</u> | <u>3,659.36</u> |
| 22 COST OF MATERIALS CONSUMED (Refer note no. 47) | | |
| Raw Material Consumed | - | 6,183.73 |
| Total Cost of Material Consumed | - | <u>6,183.73</u> |
| 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE (Refer note no. 47) | | |
| Opening Stock - Finished Goods | 82.27 | 88.59 |
| - Work in Process | 425.33 | 284.50 |
| - Stock -in - Trade | - | - |
| | <u>507.60</u> | <u>373.09</u> |
| Purchase - Stock - in - Trade | 44.33 | - |
| Closing Stock - Finished Goods | 82.27 | 82.27 |
| - Work in Process | 296.16 | 425.33 |
| - Stock -in - Trade | 6.75 | - |
| | <u>385.18</u> | <u>507.60</u> |
| NET (INCREASE)/DECREASE IN STOCK | <u>166.75</u> | <u>(134.51)</u> |
| Excise Duty on account of increase/(decrease) on Stock of Finished Goods | - | (0.35) |
| Total (Increase)/Decrease in Stock | <u>166.75</u> | <u>(134.86)</u> |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|--|--|
| 24 EMPLOYEE BENEFIT EXPENSES | | |
| a) Salaries and Wages (Refer note no. 45) | 990.83 | 4,273.30 |
| b) Contribution to Provident and Other Funds | 3.32 | 476.98 |
| c) Staff Welfare Expenses | 0.25 | 40.22 |
| Total Employee Benefit Expenses | 994.40 | 4,790.50 |
| 25 FINANCE COST | | |
| a) Interest Expense | | |
| Term Loan and Bonds | 1,614.51 | 3,186.86 |
| Others | 1,973.40 | 2,611.53 |
| b) Loss on Foreign Currency Translation | 106.18 | 60.11 |
| Total Finance Cost | 3,694.09 | 5,858.50 |
| 26 OTHER EXPENSES | | |
| a) Consumption of Stores and Spares | - | 284.57 |
| b) Consumption of Power and Fuel | 4.50 | 1,585.24 |
| c) Selling Expenses | - | 8.34 |
| d) Repair and Maintenance | | |
| -Plant and Machinery | - | 47.40 |
| -Others | - | 27.70 |
| e) Rent | 62.00 | 213.37 |
| f) Rates and Taxes | 2.52 | 12.78 |
| g) Insurance | 12.14 | 41.45 |
| h) Legal and Professional Expenses | 16.54 | 118.73 |
| i) Tours and Traveling Expenses | 1.45 | 112.75 |
| j) Payment to Statutory Auditors: | | |
| -Audit Fees | 1.75 | 7.00 |
| -Other Services (Certification Fees & Limited Review) | 0.75 | 3.00 |
| -Reimbursement of Expenses | 0.25 | - |
| k) Loss on Foreign Currency Fluctuation (net) | 362.14 | 113.34 |
| l) Miscellaneous Expenses | 4.26 | 64.71 |
| m) Provision for Doubtful Debts / Advances | 6.07 | - |
| n) Provision for Inventory Obsolescence | - | 294.47 |
| o) Provision for Diminution in Investment | 937.87 | 841.48 |
| Total Other Expenses | 1,412.24 | 3,776.33 |
| 27 IMPAIRMENT LOSS (Refer note no. 38 (b)) | | |
| a) Impairment of Plant and Machinery | - | 27,977.06 |
| b) Impairment of Stores and Spares related to above | - | 410.35 |
| Total Impairment Loss | - | 28,387.41 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

28. CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent Liabilities not provided for in respect of: (Rs. 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 | 445.12 |
| Sales Tax Matters | 3,198.19 | 584.42 |
| Excise Duty and Service Tax Matters | 2,756.41 | 2,756.41 |
| UPSEB claims | 61.75 | 61.75 |
| EOU de-bonding | 758.80 | 758.80 |
| Others | 158.92 | 158.92 |
| 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 | | |
| 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. | 1,207.54 | 1,011.34 |
| 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 (**) | 1,651.53 | 1,390.88 |

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 instalment 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 Rs. 227.25 lacs (Previous year Rs. 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 Rs. 1,233.24 lacs. The actual amount can be determined on receipt of confirmation from the party.



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

(**) 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 previous 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, 2014 and year ended March 31, 2013:

(Rs. in lacs)

| Particulars | For the Year Ended 31.03.2014 | For the Year Ended 31.03.2013 |
|--|----------------------------------|----------------------------------|
| Income available to Equity Shareholders | | |
| Net Profit | (7,153.91) | (45,560.32) |
| Dividend on Preference Share and Tax thereon | (1,207.54) | (1,011.34) |
| Diluted Income / (Loss) available to Equity Shareholders | (8,361.15) | (46,571.66) |
| 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) | 14,74,58,036 | 8,58,56,543 |
| 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) | 25,35,69,190 | 19,19,67,697 |
| Nominal value per Equity Share (Rs. per Share) | 10.00 | 10.00 |
| Basic Earnings per Share (Rs. per Share) | (9.78) | (54.47) |
| Diluted Earnings per Share (Rs. per Share) | (9.78) | (54.47) |



SAMEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

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 2014. 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 | @ Rs. per Share | Number of Shares issued | Number of Options elapsed | Balance options to be exercised | Share premium account (Rs. 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 | 8,928 | 104.60 | - | 8,928 | - | - |
| 16.05.2005 | 15,440 | 118.85 | - | 15,440 | - | - |
| 19.05.2006 | 29,342 | 52.45 | - | 29,342 | - | - |
| 21.05.2006 | 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 31.03.2014, in respect of gratuity, the Company has accumulated liability of Rs. 2,123.44 lacs against funded assets of Rs. Nil (Previous year as on 31.03.2013, the Company had accumulated liability of Rs. 1,978.17 lacs against funded assets of Rs. Nil). While in respect of leave encashment, as on 31.03.2014, the Company has accumulated liability of Rs. 134.06 lacs (Previous year as on 31.03.2013, the Company had accumulated liability of Rs. 134.06 lacs).



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

In absence of actuarial valuation in the previous and current year, the reconciliation of opening and closing balances of the present value of the defined benefit obligation is not given.

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 Rs. 3.32 lacs (Previous Year Rs.320.93 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 :

| 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 | c) Relatives of Key Management Personnel |
| -Associate | Mrs. Alka Kaura (Wife of Mr. Satish K. Kaura) |
| Samtel Glass Limited | 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 Limited (formerly Samtel Avionics and Defense Systems Limited) | |
| Lenient Consultants Private Limited | |
| CEA Consultants Private Limited | |
| SW Consultants Private Limited | |
| Tish Consultants Private Limited | |
| Kaura Properties 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 | |
| Akla Investments Private Limited | |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

(Rs. 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 31.03.2014 | For the year Ended 31.03.2013 | Particulars | As At 31.03.2014 | As At 31.03.2013 |
| Subsidiaries | | | | | | |
| Paramount Capfin Lease Private Limited | Expenses incurred by the Company on behalf of Paramount | 0.33 | 0.09 | Share Capital | 89.30 | 89.30 |
| | | | | Investments | 199.98 | 199.98 |
| | | | | Loans and Advances | 70.13 | 69.80 |
| Blue Bell Trade Links Private Limited | Expenses incurred by the Company on behalf of Blue Bell | 0.37 | 0.09 | Investments | 4.54 | 4.54 |
| | | | | Loans and Advances | 1.45 | 1.08 |
| Associate | | | | | | |
| Samtel Glass Limited (SGL) | Purchase of Goods | - | 605.59 | Advance against Supply | 308.04 | 298.21 |
| | Scrap Sales | - | 6.85 | Investments | 2,790.87 | 2,790.87 |
| | Employees on deputation | - | 2.15 | Security Deposit Receivable | 155.00 | 155.00 |
| | Share of Corporate office Expenses | - | 10.88 | | | |
| | Power & Fuel Expenses | - | 494.48 | | | |
| | Manpower Expenses | - | 52.65 | | | |
| | Rental Income (Lease) | - | 1.10 | | | |
| | Expenses incurred by the Company on behalf of SGL | 9.83 | - | | | |
| Other Parties | | | | | | |
| Samtel India Limited (SIL) | Interest Income on ICD | 4.47 | 23.80 | Creditors for Services | - | 4.05 |
| | Manpower Hiring Charges | - | 30.52 | Investments | 295.20 | 295.20 |
| | Receipt against outstanding ICD | 100.00 | 70.00 | Share Capital | 592.29 | 592.29 |
| | | | | Loans and Advances | 157.56 | 154.30 |
| | | | | ICD Receivable | - | 100.00 |
| Samtel Machines and Projects Limited (SMPL) | Interest Income on ICD | - | 8.38 | Creditors for Services | - | 95.79 |
| | Manpower Hiring Charges | - | 1.70 | Loans and Advances | 37.41 | - |
| | Receipt against outstanding ICD | - | 107.00 | Advance Subscription | 3,000.00 | 3,000.00 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

| | | | | | | |
|---|--|-----------|-----------|------------------------|----------|----------|
| | | | | Share Capital | 901.80 | 901.80 |
| | | | | Share Premium | 441.51 | 455.51 |
| Samtel Electron Devices, GmbH | | | | Corporate Guarantee | 1,651.53 | 1,390.88 |
| International Electron Devices Limited | Purchase of Goods | - | 472.69 | Creditors | 1,239.40 | 1,239.40 |
| Samtel Avionics Limited (SA) | Sale of Electron Guns | - | 2.49 | Share Capital | 182.71 | 182.71 |
| | Expenses incurred by (SA) on our behalf | 72.10 | 52.58 | Loans and Advances | 187.49 | 63.67 |
| | Sale of Defective Items | 170.83 | - | | | |
| | Purchase of Stock in Trade | 49.21 | - | | | |
| Samtel – HAL Display Systems Limited (SHDS) | Expenses incurred by (SHDS) on our behalf | - | 5.84 | Loans and Advances | 0.02 | 0.02 |
| 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 | 9.10 | 6.07 |
| CEA Consultants Private Limited | Interest on Loan | 16.19 | 16.19 | Share Capital | 429.89 | 429.89 |
| | | | | Unsecured Loans | 202.33 | 202.33 |
| | | | | Interest Payable | 43.71 | 29.14 |
| | | | | Share Premium | 395.81 | 395.81 |
| Swaka Consultants Limited | | | | Creditors for Services | 15.53 | 15.53 |
| Punswat Consultants Limited | Contract Labour Charges | - | 2.67 | Creditors for Services | 13.50 | 13.50 |
| Dolsun Containers Private Limited | Purchase of Goods | - | 14.21 | Investments | 6.40 | 6.40 |
| | Scrap Sales | - | 0.08 | | | |
| Key Management Personnel | | | | | | |
| Mr. Satish K. Kaura | Remuneration | - | 29.26 | Share Capital | 13.86 | 13.86 |
| | Personal Guarantee given for Term Loans taken by the Company | 41,426.74 | 40,856.59 | Unsecured Loans | 66.30 | 70.30 |
| | Receipt of unsecured loan | - | 28.00 | Interest Payable | 9.13 | 6.08 |
| | Payment of unsecured loan | 4.00 | - | | | |
| | Interest on Loan | 3.38 | 3.38 | | | |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

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.

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

| (Rs.in lacs) | | | |
|--------------|---|---------|---------|
| | Particulars | 2013-14 | 2012-13 |
| A | Principal amount remaining unpaid as on 31st March, 2014 | 122.56 | 122.56 |
| B | Interest due thereon as on 31st March, 2013 | 107.68 | 75.94 |
| 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. | 13.60 | 31.74 |
| E | Interest accrued and remaining unpaid as on 31 st March, 2014 | 121.28 | 107.68 |
| 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 Rs. 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.

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 11nd scheme in financial year 2009-10 under the Corporate Debt Restructuring (CDR) mechanism.

The salient features of the scheme inter alia were:



SAMEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

- (a) Effective Date: The cut-off date of the scheme - 31st April 2009.
- (b) Restructuring of debt: The scheme envisaged restructuring of Core Principal (hereinafter referred to as Debt), which included loan of Rs. 47,186 lacs, Preference Shares of Rs. 3,079 lacs and Zero Coupon Bond (ZCB) Rs. 1,540 lacs.
- (c) The scheme envisaged two options for repayment of debt to lenders. Under the settlement option of Rs. 23,036 lacs, the entire debt shall be settled against total payment of Rs. 14,685 lacs in three years from the effective date. Lenders opting for the restructuring option of Rs. 28,768 lacs shall get equity allotment of Rs. 4,642 lacs in addition to existing Non Convertible Redeemable Preference Share of Rs. 2,110 lacs and the balance debt of Rs. 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 Rs. 3,000 lacs through a preferential issue to be subscribed, Rs. 1,000 lacs within 6 months of the approval of the scheme and balance of Rs. 2,000 lacs within 18 months of the sanction of the scheme. Further, the promoters shall also undertake to arrange additional equity contribution of Rs. 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 Rs. 38,811 lacs. (Rs. 14,685 lacs due to lenders opting settlement option, Rs. 2,110 lacs of Non Convertible Cumulative Redeemable Preference Shares and Rs. 22,016 lacs due to lenders opting restructuring option).

The Company has made repayment of Rs. 10,337 lacs towards principal loan amount up to 31st March' 2014 out of total outstanding debts of Rs. 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 previous 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.

During the year, Export Import Bank of India has assigned its debts in the Company in favour of M/s Edelweiss Asset Reconstruction Company 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 remained suspended during the year. All of these have resulted into heavy losses.

Since the net worth of the Company was fully eroded at the end of the year 2012-12, 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.



SEMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

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

- 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 Rs. 13,163.66 lacs (Rs. 12,194.50 lacs debts and Rs. 969.16 redemption of 0% NCCRPS) to CDR lenders and Rs. 374.04 lacs to Non CDR lenders, as on 31st March 2014.

The defaults for Unsecured loans, devolved LC are Rs. 894.92 lacs and Rs. 15,538.72 lacs respectively.

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

(Rs. In lacs)

| Particulars (as on 31.03.2014) | Debts | Interest | Total |
|---------------------------------|------------------|-----------------|------------------|
| Defaults in Secured loans * | 13,163.66 | 5,654.95 | |
| Non – CDR Secured Loans | 374.04 | | 19,192.65 |
| Devolved Letter of Credits | 15,538.72 | 2,990.77 | 18,529.49 |
| Defaults in Unsecured Loans | 894.91 | 657.86 | 1,552.77 |
| Total | 29,971.33 | 9,303.58 | 39,274.91 |

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

- b) In accordance with Accounting Standard 28 – ‘Impairment of Assets’ :

(i) During the previous year, the Company had identified its production Lines 3, 5 and Deflection 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 Deflection Yoke. During the previous 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 year 2011-12, 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 Rs. 27,977.06 lacs in year 2012-13 (In year 2011-12 Rs. 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 previous year, It was the management estimated sale value of Plant and Machinery (Rs. 1,680.00 lacs i.e. 2.5% of the gross assets value). This rate of reserve sale value is based on previous year basis of reserve sale value of Plant & Machinery of Rs. 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 previous year and Line 1 and Line 4 in year 2011-12). 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 Rs. 27,977.06 lacs in year 2012-13 (Rs. 3,866.91 lacs in year 2011-12) has been charged to the Statement of Profit and Loss as Impairment Loss. Further, Stores and Spares related to these



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

production lines have also been impaired and accordingly a sum of Rs. 410.35 lacs in year 2012-13 (Rs. 512.28 lacs in year 2011-12) 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 2014.
- 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 Rs. 937.87 lacs (Previous year Rs. 841.48 lacs). In case of Samtel Glass Limited, the investment value is taken on the basis of three years (Previous year three 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, 2014. In view of the management, the basis of considering three years average book value for computing the diminution in the value of investments is reasonable.
- h) During the year the Company has received notice u/s 13(4) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from the lead Bank. Pursuant to this notice the Company has not provided interest on loans from CDR lenders during part of the year.

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:

(Rs. in lacs)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| Opening Balance | (16,060.46) | (3,117.06) |
| Current Period Deferred Tax Liability / (Asset) | (2321.10) | (12,943.40) |
| Opening Rate Difference | - | - |
| Closing Balance | (18,381.56) | (16,060.46) |



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

(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 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| Deferred Tax Liabilities : | | |
| Tax impact of difference between carrying amount of Fixed Assets in Financial Statements and Income Tax Returns | 5,923.64 | 5,440.89 |
| Sub Total (A) | 5,923.64 | 5,440.89 |
| Deferred Tax Assets : | | |
| Tax impact of expenses charged in the Financial Statements but Allowable as deductions in future years under Income Tax | 1,675.11 | 1,672.26 |
| Tax impact of unabsorbed business loss / depreciation for the Current year | 22,630.07 | 19,829.09 |
| Sub Total (B) | 24,305.18 | 21,501.35 |
| Net Deferred Tax Liability / (Assets) (A) – (B) | (18,381.56) | (16,060.46) |

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 Rs. 18,381.56 lacs (Previous year Rs. 16,060.46 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 Rs. Nil (Previous year Rs. Nil). The additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. 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 Rs. 62.00 lacs (Previous year Rs. 213.37 lacs) has been charged to Statement of Profit and Loss.



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NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

43. Movement in Share Premium Account:

(Rs. in lacs)

| Particulars | For the Year Ended 31.03.2014 | For the Year Ended 31.03.2013 |
|------------------------------|----------------------------------|----------------------------------|
| Opening Balance | 6,619.98 | 6,619.98 |
| Add: Amount on Equity Shares | - | - |
| Closing Balance | 6,619.98 | 6,619.98 |

44. At the close of the previous 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 Rs. Nil (net) (Previous year Rs. 3,283.87 lacs), which includes liabilities provided in earlier year – previous year at the time of publication of unaudited quarterly results as per sebi guidelines, forming part of other income.

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 Rs. Nil (Previous year Rs. Nil)

47. Additional Information:

| a) | Installed Capacity and Actual Production | Installed Capacity (in Nos.) | | Actual Production (in Nos.) | |
|----|--|------------------------------|------------|-----------------------------|----------|
| | | For the Year | | | |
| | | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| | Products | | | | |
| | Color Picture Tubes | 26,00,000 | 26,00,000 | - | 5,16,191 |
| | Color Electron Guns | 120,00,000 | 120,00,000 | - | 7,06,622 |
| | Color Deflection Yokes | - | - | - | - |

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 | | | |
|------|-------------------------------------|----------------|---------------------|----------------|---------------------|
| | | 2013-14 | | 2012-13 | |
| | Products | Qty. (In Nos.) | Value (Rs. in lacs) | Qty. (In Nos.) | Value (Rs. in lacs) |
| | Color Picture Tubes | | | | |
| i) | Opening Stock of Finished Goods | 5,252 | 82.27 | 6,311 | 88.59 |
| ii) | Closing Stock of Finished Goods | 5,252 | 82.27 | 5,252 | 82.27 |
| iii) | Sales of Finished Goods | - | - | 5,17,250 | 6,624.54 |
| | | | | - | - |
| | Color Electron Guns | | | | |
| i) | Opening Stock of Finished Goods | - | - | - | - |
| ii) | Closing Stock of Finished Goods @ @ | - | - | - | - |
| iii) | Sales of Finished Goods @ | - | - | 15,544 | 27.56 |
| | | | | | |
| | Color Deflection Yokes | | | | |
| i) | Opening Stock of Finished Goods | - | - | - | - |
| ii) | Closing Stock of Finished Goods ** | - | - | - | - |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

| | | | | | |
|---|---------------------------|---|---|---|---|
| iii) | Sales of Finished Goods * | - | - | - | - |
| <p>@ Sales of Color Electron Guns does not include Nil nos. (Previous year 6,25,397 nos.) used for captive consumption.</p> | | | | | |
| <p>@ @ Closing stock of Color Electron Guns does not include 78,086 nos. (Previous year 78,086 nos.) Since the same is kept for captive consumption. Out of this stock, during the year, 43,408 nos. (Previous year 43,408 nos.) have been attached by the excise department against their recovery of excise duty.</p> | | | | | |
| <p>* Sales of Color Deflection Yokes does not include Nil nos. (Previous year Nil nos.) used for captive consumption.</p> | | | | | |
| <p>* * 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.</p> | | | | | |

| c) | Raw Material and Components Consumed | For the Year Ended | | | |
|------|--------------------------------------|--------------------|---------------------|----------------|---------------------|
| | | 31.03.2014 | | 31.03.2013 | |
| | | Qty. (In Nos.) | Value (Rs. in lacs) | Qty. (In Nos.) | Value (Rs. in lacs) |
| | Products | | | | |
| i) | Glass Components | - | - | 11,24,472 | 2,803.31 |
| ii) | Electronics Components | - | - | 33,50,295 | 2,730.75 |
| iii) | Miscellaneous * | - | - | - | 649.67 |
| | Total | | | | 6,183.73 |

* 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 | | | |
|-----|---|--------------------|-------|-----------------|---------------|
| | | 31.03.2014 | | 31.03.2013 | |
| | | (Rs. in lacs) | % age | (Rs. in lacs) | % age |
| i) | Raw Material and Components Consumed | | | | |
| | - Imported | - | - | 4,840.04 | 78.27 |
| | - Indigenous | - | - | 1,343.69 | 21.73 |
| | Total | | | 6,183.73 | 100.00 |
| ii) | Stores and Consumables Consumed | | | | |
| | - Imported | - | - | 14.28 | 5.02 |
| | - Indigenous | - | - | 270.29 | 94.98 |
| | Total | | | 284.57 | 100.00 |



SAMTEL COLOR LIMITED
NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. in lacs)

| | Particulars | For the Year Ended | |
|-----|--|--------------------|------------|
| | | 31.03.2014 | 31.03.2013 |
| e) | CIF Value of Imports | | |
| i) | Raw Material and Components | - | 5,201.71 |
| ii) | Stores and Spares | - | 16.78 |
| f) | Expenditure in Foreign Currency | | |
| | (Net of Indian Taxes) (Cash Basis) | - | - |
| i) | Professional and Technical Fees | - | - |
| ii) | Others | - | 0.42 |
| e) | Earnings in Foreign Exchange | | |
| | FOB Value of Exports | - | - |

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 of Directors

Place : New Delhi

Satish K. Kaura

Satish K. Kaura

Chairman & Managing Director

Alka Kaura

Alka Kaura

Director

Prabhat Kumar Nanda

Prabhat Kumar Nanda
Company Secretary

Date : May 30, 2014



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Samtel Color Limited

We have audited the accompanying consolidated financial statements of Samtel Color Limited (hereinafter referred as the 'Company') and its subsidiaries and associate (together referred to as the 'Group'), which comprise the consolidated Balance Sheet as at 31st March 2014, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and Notes to consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated 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, but not for the purpose of expressing an opinion on effectiveness of the entity's internal controls. 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

(A) 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.

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

(i) The entire net worth of the Group 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 of the Company 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 by the Company of 969,163, 0% redeemable preference shares of Rs100 each amounting to Rs. 969.16 lacs already due for redemption; and (viii) non payment by the Company 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.

(C) We further report with respect to the Company 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 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".

(D) We further report that during the year ended 31st March, 2014 the facts and situation mentioned above continues:-

Further the Company has not complied with the provisions of clause 35 of listing agreement (submission of shareholding pattern) and requirements of SEBI circular no. D & CC/ FITTC/CIR-16/2002 dated 31.12.2002 regarding Reconciliation of Share Capital Audit Report, for the quarter ended 31st December 2013. Default still continues.

These factors raise substantial doubts as to the Group's ability to continue as going concern and therefore, the Group 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 Group's net-worth coupled with other events and inability of the Company in realisation of assets and discharge of liabilities based on going concern assumptions, the consolidated 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 consolidated Balance Sheet, of the state of affairs of the Company as at 31st March 2014;*
- b) *In the case of the consolidated Statement of Profit and Loss, of the loss for the year ended on that date; and*
- c) *In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.*

Report on Other Legal and Regulatory Requirements

- a) We did not audit the financial statements of both the subsidiaries for the year ended 31st March, 2014, whose financial statements reflect total assets (net) of Rs.375.19 lacs as at 31st March, 2014, total revenues of Rs Nil and net cash outflows amounting to Rs. 0.16 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of the other auditors, in so far as it relates to the amounts included in respect of the subsidiaries.
- b) Further, in the case of financial statement of the Associate whose financial statement reflect the group share of loss up to 31st March 2014 of Rs 2469.19 lacs and the group's share of loss of Rs. 58.60 lacs for the year ended on that date, as considered in these Consolidated financial statements, the figures and other related information used for consolidation are based on the management's estimation and are therefore, unaudited.

Our opinion is not qualified in respect of the aforesaid, 'other matters'

For S. S. Kothari Mehta & Co.
Chartered Accountants
Firm Registration Number: 000756N

(K. K. Tulshan)
Partner
Membership Number: 085033



Place: New Delhi
Date: 30th May, 2014

NOTE 1: OVERVIEW

The Company having its registered office at 5th floor, 501, Copia Corporate Suites, 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.

(S) CONSOLIDATION OF ACCOUNTS

i) The consolidated financial statements relate to Samtel Color Limited ('the Company') and its wholly owned subsidiary companies.



SAMTEL COLOR LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits and losses.

ii) The Subsidiary Companies considered in the consolidated financial statements are:

| Name of the Company | Country of incorporation | % voting power held as at 31st March, 2014 |
|--|---------------------------------|---|
| Paramount Capfin Lease Pvt. Ltd. (PCL) | India | 100 |
| Bluebell Trade Links Pvt. Ltd. (BTL) | India | 100 |

iii) In accordance with the Accounting Standard (AS) - 23 "Accounting for Investment in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, the Company has accounted for its investment in the Associate Company, in the Consolidated Financial Statements using the "Equity Method" of accounting.

| Name of Associate | Proportion of Ownership Interest as at 31st March, 2014 |
|----------------------------|---|
| Samtel Glass Limited (SGL) | 27.91% |



SAMTEL COLOR LIMITED

Consolidated Balance Sheet as at 31st March, 2014

(Figures in Rs.lacs)

| Particulars | Note No. | As At 31st March, 2014 | As At 31st March, 2013 |
|---|----------|---------------------------|---------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholder's Funds | | | |
| (a) Share Capital | 3 | 11,539.44 | 11,539.44 |
| (b) Reserves and Surplus | 4 | (73,210.38) | (66,977.59) |
| (c) Money Received against Share Warrants | 5 | 3,000.00 | 3,000.00 |
| (2) Non-Current Liabilities | | | |
| (a) Long Term Borrowings | 6 | 12,722.98 | 14,707.51 |
| (b) Long Term Provisions | 7 | 1,959.82 | 1,823.32 |
| (3) Current Liabilities | | | |
| (a) Short Term Borrowings | 8 | 16,056.80 | 15,592.20 |
| (b) Trade Payables | 9 | 14,767.50 | 14,031.72 |
| (c) Other Current Liabilities | 10 | 35,248.96 | 29,687.73 |
| (d) Short Term Provisions | 11 | 320.29 | 311.52 |
| Total | | 22,405.41 | 23,715.85 |
| II. ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Fixed Assets | 12 | | |
| (i) Tangible Assets | | 13,212.70 | 14,252.90 |
| (ii) Intangible Assets | | 4.42 | 8.96 |
| (b) Non-Current Investments | 13 | 23.40 | 39.66 |
| (c) Long Term Loans and Advances | 14 | 309.55 | 332.59 |
| (2) Current Assets | | | |
| (a) Inventories | 15 | 1,447.87 | 1,570.29 |
| (b) Trade Receivables | 16 | 6,121.55 | 5,950.72 |
| (c) Cash and Bank Balances | 17 | 34.49 | 71.97 |
| (d) Short Term Loans and Advances | 18 | 1,250.52 | 1,478.98 |
| (e) Other Current Assets | 19 | 0.91 | 9.78 |
| Total | | 22,405.41 | 23,715.85 |

Significant Accounting Policies 1 & 2

See accompanying notes to consolidated financial statements

In terms of our report of even date

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
FRN : 000756N



For & on behalf of the Board of Directors

K.V. TULSHAN
Partner
Membership No. 085033

Satish K. Kaura
Satish K. Kaura
Chairman & Managing
Director

Aika Kaura
Aika Kaura
Director

Prabhat Kumar Nanda
Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : May 30, 2014

SAMTEL COLOR LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

(Figures in Rs. lacs)

| Particulars | Note No. | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|----------|-------------------------------------|-------------------------------------|
| REVENUE | | | |
| Revenue from Operations (Gross) | 20 | - | 7,515.02 |
| Less: Excise Duty | | - | 847.68 |
| Revenue from Operations (Net) | | - | 6,667.34 |
| Other Income | 21 | 157.64 | 3,659.36 |
| Total Revenue | | 157.64 | 10,326.70 |
| EXPENSES | | | |
| Cost of Materials Consumed | 22 | - | 6,183.73 |
| Changes in Inventories of Finished Goods, Work-in-Process and Stock-in-Trade | 23 | 166.75 | (134.86) |
| Employee Benefit Expenses | 24 | 994.40 | 4,790.50 |
| Financial Costs | 25 | 3,694.25 | 5,858.52 |
| Depreciation and Amortization Expenses | | 1,044.07 | 7,025.41 |
| Other Expenses | 26 | 1,428.84 | 3,776.52 |
| Total Expenses | | 7,328.31 | 27,499.82 |
| Profit/(Loss) Before Exceptional Items and Tax | | (7,170.67) | (17,173.12) |
| Exceptional Items: | | | |
| Impairment Loss in respect of retirement of Plant & Machinery and related Stores & Spares | 27 | - | 28,387.41 |
| Profit/(Loss) Before Tax | | (7,170.67) | (45,560.53) |
| Tax Expense: | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Profit/(Loss) After Tax | | (7,170.67) | (45,560.53) |
| Share of Profit / (Loss) of the Associate Company | | (58.60) | (417.28) |
| Profit/(Loss) for the year | | (7,229.27) | (45,977.81) |
| Earnings per Equity Share of Face Value of Rs. 10 each | 29 | | |
| (1) Basic (in Rs.) | | (9.97) | (55.54) |
| (2) Diluted (in Rs.) | | (9.97) | (55.54) |

Significant Accounting Policies

1 & 2

See accompanying notes to consolidated financial statements

In terms of our report of even date

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm No. 000756N



For & on behalf of the Board of Directors

K. R. TULSIAN
Partner

Membership No. 085033

Satish K. Kaura
Satish K. Kaura
Chairman & Managing Director

Alka Kaura
Alka Kaura
Director

Prabhat Kumar Nanda
Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : May 30, 2014

Consolidated Cash Flow Statement for the year ended 31st March, 2014

(Figures in Rs. lacs)

| Particulars | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|--|--|
| A. Cash Flow from Operating Activities: | | |
| Profit Before Tax After Prior Period Adjustments | (7,229.27) | (45,977.81) |
| Adjustment for : | | |
| - Depreciation / Amortisation | 1,044.07 | 7,025.41 |
| - Loss / (Gain) on Sale of Fixed Assets (net) | - | 1.01 |
| - Interest Expenses | 3,694.25 | 5,858.50 |
| - Interest Income | (4.47) | (32.69) |
| - Liabilities no longer required, Written Back | - | (3,283.87) |
| - Provision for Gratuity and Leave Encashment | 136.50 | 570.74 |
| - Provision for Wealth Tax | - | (0.10) |
| - Impairment Loss of Plant and Machinery and Spares | - | 28,387.41 |
| - Provision for Obsolete Inventory | - | 294.47 |
| - Provision for Diminution in Investments | 954.12 | 841.48 |
| - Provision for Doubtful Debts and Advances | 6.07 | - |
| Operating Profit Before Working Capital Changes | (1,398.73) | (6,315.43) |
| Adjustment for : | | |
| - Trade and Other Receivables | (176.90) | (5,692.64) |
| - Inventories | 122.42 | (423.04) |
| - Loans and Advances | (618.44) | 2,397.79 |
| - Trade and Other Payables | 6,305.79 | 16,276.44 |
| Cash Generated from Operations | 4,234.14 | 6,243.12 |
| Income Tax Paid | (0.45) | (41.53) |
| Total | 4,233.69 | 6,201.59 |
| B. Cash Flow from Investing Activities: | | |
| Sale / Adjustment from Fixed Assets | 0.67 | 4.60 |
| Interest Received | 4.47 | 32.69 |
| Share of Profit / (Loss) of the Associate Company adjusted in Investments | (58.60) | (417.28) |
| Total | (53.46) | (379.99) |
| C. Cash Flow from Financing Activities: | | |
| Adjustment of Share of loss of Associate Company in reserves | 996.47 | 1,160.10 |
| Proceeds/ (Repayments) of Long Term Borrowings (net) | (1,519.93) | (1,365.92) |
| Dividend and Dividend Tax Paid | - | 11.04 |
| Interest Paid | (3,694.25) | (5,858.52) |
| Total | (4,217.71) | (6,053.30) |
| Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C) | (37.48) | (231.70) |
| Cash and Cash Equivalents as at 01-04-2013 (Opening Balance) | 71.97 | 303.67 |
| Cash and Cash Equivalents as at 31-03-2014 (Closing Balance) | 34.49 | 71.97 |

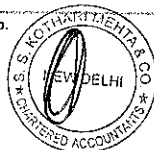
Note: (i) The aforesaid Consolidated Cash Flow Statement has been prepared in consonance with the "Indirect Method" as set out in the Accounting Standard (AS-3) on Cash Flow Statements.
(ii) Figures in brackets represent cash outflows.
(iii) Previous year figures have been regrouped/recast, wherever 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
Firm No. 00756N

K.K. TULSHAN
Partner
Membership No. 085033



Satish K. Kaura
Chairman and Managing
Director

Alka Kaura
Director

Prabhat Kumar Nanda
Company Secretary

Place : New Delhi
Date : May 30, 2014

3 SHARE CAPITAL

(Figures in Rs. lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| AUTHORISED | | |
| 12,49,90,000 nos. (Previous Year 12,49,90,000 nos.) Equity Shares of Rs.10 each | 12,499.00 | 12,499.00 |
| 50,01,000 nos. (Previous Year 50,01,000 nos.) Redeemable Preference Shares of Rs.100 each | 5,001.00 | 5,001.00 |
| | <u>17,500.00</u> | <u>17,500.00</u> |
| ISSUED | | |
| 8,46,04,597 nos. (Previous Year 8,46,04,597 nos.) Equity Shares of Rs. 10 each | 8,460.46 | 8,460.46 |
| 21,10,116 nos. (Previous Year 21,10,116 nos.) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs.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 Rs.100 each | 969.16 | 969.16 |
| | <u>11,539.74</u> | <u>11,539.74</u> |
| SUBSCRIBED AND FULLY PAID - UP | | |
| 8,45,98,597 nos.* (Previous Year 8,45,98,597 nos.) Equity Shares of Rs. 10 each fully paid - up | 8,459.85 | 8,459.85 |
| Add : Forfeited Equity Shares pending reissue 6,000 nos. Shares (Previous year 6,000 nos.) Rs. 5 paid-up | 0.30 | 0.30 |
| 21,10,116 nos.(Previous Year 21,10,116 nos.) 8 % Non Convertible Cumulative Redeemable Preference Shares of Rs.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 Rs.100 each | 969.16 | 969.16 |
| Total Share Capital | <u>11,539.44</u> | <u>11,539.44</u> |

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

| | No. of Shares | No. of Shares |
|---|-------------------|-------------------|
| i) Equity Shares | | |
| Outstanding at the beginning of the year (including Forfeited Shares) | 84,604,597 | 84,604,597 |
| Add: Issued during the year | - | - |
| Less: Shares bought back | - | - |
| Outstanding at the end of year | <u>84,604,597</u> | <u>84,604,597</u> |
| ii) Preference Shares | | |
| 8% 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 Rs.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 8% Non Convertible Cumulative Redeemable Preference Shares having a par value of Rs.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 installments commencing from June 2017 at a value of Rs.527.51 lacs each.

The Company has one class of 0% Non Convertible Cumulative Redeemable Preference Shares having a par value of Rs.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 Rs.60.02 lacs were due for redemption at par in June 2011 & amounting to Rs.909.14 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 | 4,831,615 | 5.65% | 4,831,615 | 5.65% |
| Sarniel India Limited | 5,922,900 | 6.93% | 5,922,900 | 6.93% |
| Teletube 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% |
| Punjab 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 | 473,846 | 48.89% | 473,846 | 48.89% |
| 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, Rs.3,000 lacs against which 2,06,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of Rs.10.00 each at a premium of Rs. 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 6,000 number of Equity Shares having par value of Rs.10 on which Rs. 5 was paid up. These Shares were forfeited on 23 July, 1992. These Shares are available for reissue.

(Figures in Rs. lacs)

4 RESERVES AND SURPLUS

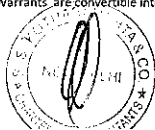
| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| a) Capital Reserve | | |
| As per last Financial Statements | 460.07 | 460.07 |
| Add : Additions during the year | - | - |
| Less: Deduction during the year | - | - |
| Closing Balance | 460.07 | 460.07 |
| b) Share Premium | | |
| As per last Financial Statements | 6,619.98 | 6,619.98 |
| Add : Additions during the year (refer note no. 43) | - | - |
| 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 | (74,057.63) | (29,239.92) |
| Add: Adjustment for Associate's previous year loss * | - | 742.82 |
| Add: During the year | (7,229.27) | (45,977.81) |
| Add: Adjustment for Associate's current year loss * | 956.47 | 417.28 |
| Add: Transfer from General Reserve | - | - |
| Net Surplus in the Statement of Profit and Loss | (80,290.43) | (74,057.63) |
| Total Reserves & Surplus | (73,210.38) | (66,977.59) |

* Upto 31st March 2014, the Company has provided for a diminution in value of shares of Sarniel Glass Limited of Rs. 2,478.25 thus giving a carrying value of Rs. 312.62 lacs. Also the Company has accounted for a total loss of Rs. 2,469.19 lacs as its share of losses in associate which includes losses recognised in prior years and current year of Rs. 2,410.59 lacs and Rs. 58.60 lacs respectively. In accordance with principle of Accounting Standards - 23 share of associate's losses have been adjusted from the value of investment upto its carrying amount and balance unadjusted losses have been added back in reserve and surplus.

5 Money received against Share Warrants*

| | |
|----------|----------|
| 3,000.00 | 3,000.00 |
|----------|----------|

* The Company had received in 2010-11, Rs.3,000 lacs against which 2,06,18,557 number of Share Warrants having optional right of conversion into one Equity Share (against each Warrant) of face value of Rs.10.00 each at a premium of Rs.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 Rs.lacs) | |
|---|----------------------|------------------|
| | As at | As at |
| 6 LONG-TERM BORROWINGS | 31st March, 2014 | 31st March, 2013 |
| 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 Rs. 484.63 lacs in 2011-12) | 484.63 | 484.63 |
| | 1,539.64 | 1,539.64 |
| ii) Term Loans | | |
| From Banks * | 23,851.66 | 23,752.11 |
| Others - from LIC of India | 494.72 | 494.72 |
| | 24,346.38 | 24,246.83 |
| iii) Long-Term Maturity of Finance Lease Obligation | | |
| iv) Less: Current portion of Long Term Borrowings | | |
| Current Maturities | (1,877.78) | (2,281.34) |
| Overdue Maturities | (12,568.54) | (10,287.20) |
| Secured Long-Term Borrowings | 11,439.70 | 13,217.93 |
| b) Unsecured Long Term Borrowings (refer to note no. 6.G to 6.I below) | | |
| i) Term Loans | | |
| From Banks (foreign currency loan) | 69.71 | 63.09 |
| Others - from Centre for Scientific & Industrial Research | 2,028.00 | 2,028.00 |
| Loans and Advances | | |
| From Related Parties | 244.48 | 244.48 |
| From Director | 42.30 | 42.30 |
| Less: Current portion of Long Term Borrowings | | |
| Current Maturities | (206.30) | (206.30) |
| Overdue Maturities | (894.91) | (681.99) |
| Unsecured Long-Term Borrowings | 1,283.28 | 1,489.58 |
| Total Long-Term Borrowings | 12,722.98 | 14,707.51 |

* Includes Foreign Currency Loans of Rs.1,047.76 lacs (Previous year Rs.948.21 lacs)

6.A The Zero Coupon Bond, Term Loan from Bank and Financial Institution amounting to Rs.25,476.99 lacs (Previous year Rs.25,394.22 lacs) are Secured as under:-

- i) Hypothecation charge is 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 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.
 - ii) Personal Guarantee of Mr. Satish K. Kaura, Chairman and Managing Director.
 - iii) 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).
 - iv) 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.
- Rupee 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 Rs.232.34 lacs (Previous year Rs.232.34 lacs) and personal guarantee of Mr. Satish K. Kaura, Chairman and Managing Director of the Company.

6.C Foreign Currency Loan from Rabo Bank Limited secured by way of first pari-passu charge created on immovable assets of the Company situated at Plot no. 2, Greater Noida Industrial Area, Gautam Budha Nagar, U.P. for Rs.176.69 lacs (Previous year Rs.159.90 lacs).



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

(Figures in Rs.lacs)

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|-----------------|---|---|------------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0%) | |
| Current Year | | | | |
| 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 | 1,800.61 | - | 2,644.62 |
| Total | 1,055.01 | 12,262.47 | - | 13,317.48 |
| Previous Year | | | | |
| 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 | 1,701.05 | - | 2,545.06 |
| Total | 1,055.01 | 14,444.26 | - | 15,499.27 |

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

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|----------------------------------|---------------|---|---|------------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0%) | |
| Current Year | | | | |
| 2010-11 | - | 22.84 | 70.64 | 93.48 |
| 2011-12 | 484.63 | 5,897.95 | 424.08 | 6,806.66 |
| 2012-13 | - | 3,387.06 | - | 3,387.06 |
| 2013-14 | - | 2,281.34 | - | 2,281.34 |
| Total | 484.63 | 11,589.19 | 494.72 | 12,568.54 |
| Previous Year | | | | |
| 2010-11 | - | 22.84 | 70.64 | 93.48 |
| 2011-12 | 484.63 | 5,897.95 | 424.08 | 6,806.66 |
| 2012-13 | - | 3,387.06 | - | 3,387.06 |
| Total | 484.63 | 9,307.85 | 494.72 | 10,287.20 |

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

| Financial Year/ Rate of Interest | Type of Loans | | | Total |
|---|---------------|---|---|-----------------|
| | ZCB | Term Loan from Banks (Varies from 8.75% to 11%) | Term Loan from Financial Institution (0% and 10%) | |
| Current Year | | | | |
| 2011-12 | - | 1,245.47 | - | 1,245.47 |
| 2012-13 | - | 2,409.81 | 49.46 | 2,459.27 |
| 2013-14 | - | 1,228.56 | 24.80 | 1,253.76 |
| Total | - | 4,884.24 | 74.26 | 4,958.50 |
| Provision for Penal Interest - rate of interest | | 2% | 2% and 12% | |
| Upto 31st March 2013 | - | 520.23 | 50.34 | 570.57 |
| 1st April 2013 to 31st March 2014 | - | 120.92 | 4.96 | 125.88 |
| | - | 641.15 | 55.30 | 696.45 |
| Grand Total | - | 5,525.39 | 129.56 | 5,654.95 |
| Previous Year | | | | |
| 2011-12 | - | 1,245.47 | - | 1,245.47 |
| 2012-13 | - | 2,409.81 | 49.46 | 2,459.27 |
| Total | - | 3,655.28 | 49.46 | 3,704.74 |
| Provision for Penal Interest - rate of interest | | 2% | 2% and 12% | |
| Upto 31st March 2012 | - | 342.35 | 40.44 | 382.79 |
| 1st April 2012 to 31st March 2013 | - | 177.88 | 9.90 | 187.78 |
| Total | - | 520.23 | 50.34 | 570.57 |
| Grand Total | - | 4,175.51 | 99.80 | 4,275.31 |



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

(Figures in Rs.lacs)

| Financial Year/ Rate of Interest | Term Loan from Foreign Bank | Term Loan from Others, (3%) | Loans from Related Parties (8% and 0%) | Total |
|----------------------------------|-----------------------------|-----------------------------|--|-----------------|
| Current Year | | | | |
| 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 | 285.78 | 458.08 |
| Total | - | 1,202.80 | 286.78 | 1,489.58 |
| Previous Year | | | | |
| 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 | - | 1,409.10 | 286.78 | 1,695.88 |

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

| | | | | |
|----------------------|--------------|---------------|---|---------------|
| Current Year | | | | |
| 2010-11 | - | 206.30 | - | 206.30 |
| 2011-12 | 69.71 | 206.30 | - | 276.01 |
| 2012-13 | - | 206.30 | - | 206.30 |
| 2013-14 | - | 206.30 | - | 206.30 |
| Total | 69.71 | 825.20 | - | 894.91 |
| Previous Year | | | | |
| 2010-11 | - | 206.30 | - | 206.30 |
| 2011-12 | 63.09 | 206.30 | - | 269.39 |
| 2012-13 | - | 206.30 | - | 206.30 |
| Total | 63.09 | 618.90 | - | 681.99 |

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

| | | | | |
|--|--------------|---------------|--------------|---------------|
| Current Year | | | | |
| 2010-11 | - | 202.56 | - | 202.56 |
| 2011-12 | - | 101.97 | 22.94 | 124.91 |
| 2012-13 | 6.31 | 60.84 | 22.94 | 90.09 |
| 2013-14 | 6.98 | 60.84 | 22.94 | 90.76 |
| Total | 13.29 | 426.21 | 68.82 | 508.32 |
| Provision for Penal Interest - rate of interest | 12% | 9% | | |
| Upto 31st March 2013 | 2.77 | 82.00 | - | 84.77 |
| 1st April 2013 to 31st March 2014 | 1.39 | 63.38 | - | 64.77 |
| Total | 4.16 | 145.38 | - | 149.54 |
| Grand Total | 17.45 | 571.59 | 68.82 | 657.86 |
| Previous Year | | | | |
| 2010-11 | - | 202.56 | - | 202.56 |
| 2011-12 | - | 101.97 | 22.94 | 124.91 |
| 2012-13 | 6.31 | 60.84 | 22.94 | 90.09 |
| Total | 6.31 | 365.37 | 45.88 | 417.56 |
| Provision for Penal Interest - rate of interest | 12% | 9% | | |
| Upto 31st March' 2012 | 1.51 | 37.18 | - | 38.69 |
| 1st April 2012 to 31st March 2013 | 1.26 | 44.82 | - | 46.08 |
| Total | 2.77 | 82.00 | - | 84.77 |
| Grand Total | 9.08 | 447.37 | 45.88 | 502.33 |

** 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 CONSOLIDATED FINANCIAL STATEMENTS

| | As at 31st March, 2014 | (Figures in Rs.lacs) As at 31st March, 2013 |
|---|---------------------------|---|
| 7 LONG-TERM PROVISIONS | | |
| Provision for Employee Benefits (refer note no. 31) | | |
| Leave Encashment | 120.36 | 120.36 |
| Gratuity | 1,839.46 | 1,702.96 |
| Total Long Term Provisions | 1,959.82 | 1,823.32 |
| 8 SHORT-TERM BORROWINGS | | |
| a) Secured Short-Term Borrowings | | |
| Loans Repayable on Demand | | |
| From Banks (refer note 8.A and 8.B) | 15,538.72 | 15,070.12 |
| Secured Short Term Borrowings | 15,538.72 | 15,070.12 |
| 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 | 24.00 | 28.00 |
| Unsecured Short Term Borrowings | 518.08 | 522.08 |
| Total Short-Term Borrowings | 16,056.80 | 15,592.20 |

8.A Loans (against devolved Letter of Credits, which includes interest amount debited by one of the bank) of Rs. 15,538.72 lacs (Previous year Rs. 15,070.12 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 Rs.15,538.72 lacs (Previous year Rs. 15,070.12 lacs) were due for payment upto 2012-13.

The rate of interest thereon varies from 4 % to 12 %. The amount of interest due upto 31.3.2014 but not paid is Rs. 2,990.77 lacs (Previous year Rs. 2,270.92 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 Rs. 494.08 lacs (Previous year Rs. 494.08 lacs) were due for payment upto 2012 - 13. The rate of interest is 12 %. The amount of interest due upto 31.3.2014 but not paid is Rs.152.49 lacs (Previous year Rs.93.16 lacs) - included in note no. 10.



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| | (Figures in Rs.lacs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| 9 TRADE PAYABLES | | |
| Outstanding dues of Micro, Small and Medium Enterprises ** | 243.84 | 230.25 |
| Outstanding dues of creditors other than Micro, Small and Medium Enterprises | 14,523.66 | 13,801.47 |
| Total Trade Payables | 14,767.50 | 14,031.72 |

** 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 | 15,547.53 | 13,456.83 |
| b) Interest Accrued but not due on Borrowings | 1,068.79 | 989.44 |
| c) Interest Accrued and due | 9,510.06 | 7,141.72 |
| d) Other Payables | | |
| Payable to Employees | 4,560.95 | 3,538.56 |
| Statutory Dues | 1,573.42 | 1,509.23 |
| Advance from Customers and Dealers | 1,299.30 | 1,299.30 |
| Security Deposits and Advances | 31.87 | 31.87 |
| Creditors for Expenses | 1,657.04 | 1,720.78 |
| Total Other Current Liabilities | 35,248.96 | 29,687.73 |

| | | |
|--|---------------|---------------|
| 11 SHORT TERM PROVISIONS | | |
| a) Provision for Employee Benefits (refer note no. 31) | | |
| Leave Encashment | 13.71 | 13.71 |
| Gratuity | 283.98 | 275.21 |
| b) Other Provisions | | |
| Provision for Taxation-Wealth Tax | 0.15 | 0.15 |
| Provision for Warranty : | | |
| Opening Balance | 22.45 | 34.31 |
| Add : Provisions made during the year | | 19.82 |
| Less : Provisions utilised / reversed during the year | | 31.68 |
| Closing Balance | 22.45 | 22.45 |
| Total Short Term Provisions | 320.29 | 311.52 |



NOTE 12: FIXED ASSETS

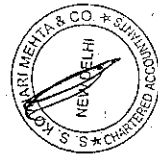
SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

| TANGIBLE ASSETS | Gross Carrying Value | | | | Depreciation/Impairment | | | | Net Carrying Value | | |
|--|-------------------------------|-----------|------------------------|-------------------|--------------------------------|-------------------------------|---------------------------|--------------|--------------------|--------------------------------|--------------------------------|
| | Balance as at 1st April, 2013 | Additions | Disposals | Impairment | Balance as at 31st March, 2014 | Balance as at 1st April, 2013 | Depreciation for the year | On Disposals | On Impairment | Balance as at 31st March, 2014 | Balance as at 31st March, 2013 |
| Freehold Land | 98.16 | - | - | - | 98.16 | 185.71 | 13.69 | - | - | 199.40 | 98.16 |
| Leasehold Land | 1,295.67 | - | - | - | 1,295.67 | 114.96 | - | - | - | 1,114.96 | 1,109.96 |
| Leasehold Improvements | 114.96 | - | - | - | 114.96 | 4,279.94 | 375.13 | - | - | 4,654.97 | 7,173.64 |
| Factory Building | 11,453.48 | - | - | - | 11,453.48 | 149.99 | 9.82 | - | - | 159.81 | 469.56 |
| Non-Factory Building | 619.55 | - | - | - | 619.55 | 26,905.88 | 587.73 | - | - | 27,493.11 | 5,087.37 |
| Plant and Machinery | 31,993.25 | - | - | - | 31,993.25 | 657.78 | 41.83 | - | - | 699.61 | 277.93 |
| Furniture, Fixtures and Office Equipment | 935.11 | - | - | - | 935.11 | 123.85 | 11.83 | - | - | 133.64 | 24.38 |
| Vehicles (acquired on Finance Lease) | 160.73 | - | 2.71 | - | 158.02 | 32,418.01 | 1,039.53 | 2.04 | - | 33,455.50 | 36.88 |
| Total | 46,670.91 | - | 2.71 | - | 46,668.20 | 63,041.68 | 7,621.31 | 29.11 | 37,615.87 | 14,252.90 | 14,252.90 |
| Previous Year | 112,298.54 | - | 34.71 | 65,592.92 | 46,670.91 | 63,041.68 | 7,621.31 | 29.11 | 37,615.87 | 32,418.01 | 14,252.90 |
| INTANGIBLE ASSETS | | | | | | | | | | | |
| Particulars | Gross Carrying Value | | | | Amortisation | | | | Net Carrying Value | | |
| | Balance as at 1st April, 2013 | Additions | Disposals/ Adjustments | Other Adjustments | Balance as at 31st March, 2014 | Balance as at 1st April, 2013 | Depreciation for the year | On Disposals | Other Adjustments | Balance as at 31st March, 2014 | Balance as at 31st March, 2013 |
| Goodwill | 120.01 | - | - | - | 120.01 | 120.01 | - | - | - | 120.01 | - |
| Technical Designs / Drawings | 1,153.87 | - | - | - | 1,153.87 | 1,144.91 | 4.54 | - | - | 1,149.45 | 4.42 |
| Software for Internal Use (acquired) | 427.18 | - | - | - | 427.18 | 427.18 | - | - | - | 427.18 | - |
| Total | 1,701.06 | - | - | - | 1,701.06 | 1,692.10 | 4.54 | - | - | 1,696.64 | 4.42 |
| Previous Year | 1,701.06 | - | - | - | 1,701.06 | 1,688.00 | 4.10 | - | - | 1,692.10 | 8.96 |
| Total Block | 48,371.97 | - | 2.71 | - | 48,369.26 | 34,110.11 | 1,044.07 | 2.04 | 37,615.87 | 35,152.14 | 14,261.86 |
| Previous Year | 113,999.60 | - | 34.71 | 65,592.92 | 48,371.97 | 64,729.68 | 7,025.41 | 29.11 | 37,615.87 | 34,110.11 | 14,261.86 |
| Capital Work-in-Progress | | | | | | | | | | | |

Notes:

a) Previous year, 2012-13, Impairment amount includes Rs.65,592.92 lacs (net of residual value of Rs.1,680.00 lacs in 2012-13), (Rs.15,478.94 lacs in 2011-12 (net of residual value of Rs.554.57 lacs in 2011-12)) being adjustment of gross cost and Rs.37,615.87 lacs in 2012-13 (Rs.11,612.03 lacs in 2011-12) being adjustment of accumulated depreciation as impairment loss in respect of certain Plant and Machines retired from active use. During the year, previous years impairment has been done on the management estimated value, which is similar to previous year's basis of impairment i.e. reserve price approved by the CDR lenders on the basis of valuation report of bank empanelled valuers and bids received from the bidders. (refer note no. 38 (b)).

b) 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 Rs.1,013.91 lacs (gross cost Rs.19,798.58 lacs) being the excess of the written down value over the existing use value, had been charged to the Statement of Profit and Loss. (refer note no. 34).



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|---------------------------|---------------------------|
| 13 NON-CURRENT INVESTMENTS | | |
| i) Trade Investments | | |
| A) QUOTED EQUITY SHARES | | |
| Fully paid up Equity Shares of Samtel India Limited | 311.96 | 311.96 |
| 13,69,616 nos. (Previous year 13,69,616 nos.) Equity Shares of Rs. 10 each | | |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | <u>(300.63)</u> | <u>(284.58)</u> |
| | 11.33 | 27.38 |
| | | |
| Fully paid up Equity Shares of Samtel Glass Limited *@ | | |
| 2,33,30,000 nos. (Previous year 2,33,30,000 nos.) Equity Shares of Rs. 10 each | | |
| - Capital Reserve | (176.85) | (176.85) |
| - Cost of Investment | <u>2,967.72</u> | <u>2,967.72</u> |
| Total | 2,790.87 | 2,790.87 |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | <u>(2,478.25)</u> | <u>(1,540.38)</u> |
| Carrying Amount of Investments | 312.62 | 1,250.49 |
| Add: Share of Profits / (Loss) of the Associate Company till previous year | (2,410.59) | (1,993.31) |
| Add: Share of Profit / (Loss) of the Associate Company for the year | <u>(58.60)</u> | <u>(417.28)</u> |
| Net Amount * | | |
| Total Non-Current Trade Investment | <u>11.33</u> | <u>27.38</u> |

* Upto 31st March 2014, the Company has provided for a diminution in value of shares of Samtel Glass Limited of Rs. 2,478.25 thus giving a carrying value of Rs. 312.62 lacs. Also the Company has accounted for a total loss of Rs. 2,469.19 lacs as its share of losses in associate which includes losses recognised in prior years and current year of Rs.2,410.59 lacs and Rs. 58.60 lacs respectively. In accordance with principle of Accounting Standards - 23 share of associate's losses have been adjusted from the value of investment upto its carrying amount and balance unadjusted losses have been added back in reserve and surplus.

| | | |
|--|--------------|--------------|
| ii) Other Investments | | |
| A) QUOTED EQUITY SHARES | | |
| Equity shares of IFCI Ltd. | 0.94 | 0.94 |
| 2,000 (Previous year 2,000) Equity shares of Rs.10 each | | |
| Less : Provision for Diminution in Investments {Refer note no. 38 (g)} | (0.21) | |
| Equity shares of HDFC Bank Ltd. | 0.10 | 0.10 |
| 300 (Previous year 300) Equity shares of Rs. 10,each | | |
| | <u>0.83</u> | <u>1.04</u> |
| B) UNQUOTED EQUITY SHARES | | |
| Equity Shares of Coromandal Stamp Ltd. | 4.00 | 4.00 |
| 40,000 nos. (Previous year 40,000 nos.) Equity Shares of Rs.10 each | | |
| Equity Shares of Dolsun Containers (Pvt.) Ltd. | 7.24 | 7.24 |
| 64,000 nos. (Previous year 64,000 nos.) Equity Shares of Rs.10 each | | |
| | <u>11.24</u> | <u>11.24</u> |
| Total Non-Current Other Investment | <u>12.07</u> | <u>12.28</u> |
| Total Non-Current Investment | <u>23.40</u> | <u>39.66</u> |

| | | |
|---|----------|----------|
| Aggregate Book value of Quoted Investments | 311.96 | 311.96 |
| Market Value of Quoted Investments | 33.46 | 35.69 |
| Aggregate Book Value of Unquoted Investments | 11.24 | 11.24 |
| Aggregate Provision for Diminution in Value of Investment | 2,779.09 | 1,824.96 |

* 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 Leasehold Land.

14 LONG TERM LOANS & ADVANCES

| | | |
|---|---------------|---------------|
| A) Unsecured, Considered Good | | |
| Security Deposits | 309.55 | 332.59 |
| Total Long Term Loans & Advances | <u>309.55</u> | <u>332.59</u> |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | As at 31st March, 2014 | As at 31st March, 2013 |
|---|---------------------------|---------------------------|
| 15 INVENTORIES | | |
| (as taken, valued and verified by management) | | |
| a) Raw Materials | | |
| Raw Materials at Site * | 699.17 | 699.17 |
| b) Work-in-Process ** | 296.16 | 425.33 |
| c) Finished Goods | 82.27 | 82.27 |
| d) Stock - in - Trade | 6.75 | - |
| e) Stores & Spares | 363.52 | 363.52 |
| Total Inventories | 1,447.87 | 1,570.29 |
| * Includes inventory amounting to Rs.311.90 lacs (Previous year Rs.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 Rs. 55.22 lacs (Previous year Rs. 55.22 lacs) 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 | 5,950.72 | - |
| Considered Doubtful | 489.33 | 489.33 |
| Less: Provision for Bad and Doubtful Debts | (489.33) | (489.33) |
| Others | | |
| Considered Good | 170.83 | 5,950.72 |
| Total Trade Receivable | 6,121.55 | 5,950.72 |
| 17 CASH & BANK BALANCES | | |
| a) Cash & Cash Equivalents | | |
| Cash on Hand | 0.02 | 5.79 |
| Bank Balances in Current Accounts | 34.47 | 36.18 |
| b) Other Bank Balances | | |
| i) Banks with Earmarked Balances | | |
| Earmarked for Unpaid Dividend | | |
| Earmarked Fixed Deposit | - | 30.00 |
| ii) Banks Deposits | | |
| Deposits with original Maturity upto Twelve Months | - | - |
| Total Cash & Bank Balances | 34.49 | 71.97 |
| 18 SHORT TERM LOANS & ADVANCES | | |
| a) Loans and Advances to Related Parties | | |
| Unsecured, Considered Good | 520.19 | 616.37 |
| b) Loans and Advances to Others | | |
| Unsecured, Considered Good | 123.63 | 126.89 |
| Doubtful | 455.74 | 455.74 |
| Less: Provision for Doubtful Advances | (455.74) | (455.74) |
| c) Security Deposit | - | 118.57 |
| d) Other Loans and Advances | | |
| Balances with Statutory/Government Authorities | 532.44 | 543.34 |
| Advance Income Tax / TDS | 74.26 | 73.81 |
| Total Short Term Loans & Advances | 1,250.52 | 1,478.98 |
| 19 OTHER CURRENT ASSETS | | |
| Pre-Paid Expenses | 0.91 | 9.78 |
| Total Other Current Assets | 0.91 | 9.78 |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|--|--|--|
| 20 REVENUE FROM OPERATIONS (Refer note no. 50) | | |
| a) Sale of Products | | |
| Finished Goods | - | 8,316.98 |
| Less: Inter-Division Transfer | - | 844.76 |
| | | 7,472.22 |
| b) Other Operating Revenues | | |
| Scrap Sale | - | 42.80 |
| Export incentives, | - | - |
| | | 42.80 |
| Total Revenue from Operations | - | 7,515.02 |
| Less-Excise Duty | - | 847.68 |
| Net Revenue from Operations | - | 6,667.34 |
| 21 OTHER INCOME | | |
| a) Interest Income | 4.47 | 32.69 |
| b) Other Non Operating Income | | |
| Sale of Defective Items (net of excise duty of Rs. 15.78 lacs) | 153.17 | - |
| Profit on Sale / Transfer of Fixed Assets | - | 1.67 |
| Commission Received | - | 340.00 |
| Liability / Provisions no Longer Required, Written Back (Refer note no. 44) | - | 3,283.87 |
| Others | - | 1.13 |
| Total Other Income | 157.64 | 3,659.36 |
| 22 COST OF MATERIALS CONSUMED (Refer note no. 50) | | |
| Raw Material Consumed | - | 6,183.73 |
| Total Cost of Material Consumed | - | 6,183.73 |
| 23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE (Refer note no. 50) | | |
| Opening Stock - Finished Goods | 82.27 | 88.59 |
| - Work in Process | 425.33 | 284.50 |
| - Stock -in -Trade | - | - |
| | 507.60 | 373.09 |
| Purchase - Stock - in -Trade | 44.33 | - |
| Closing Stock - Finished Goods | 82.27 | 82.27 |
| - Work in Process | 296.16 | 425.33 |
| - Stock -in - Trade | 6.75 | - |
| | 385.18 | 507.60 |
| NET (INCREASE)/DECREASE IN STOCK | 166.75 | (134.51) |
| Excise Duty on account of increase/(decrease) on Stock of Finished Goods | - | (0.35) |
| Total (Increase)/Decrease in Stock | 166.75 | (134.86) |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Figures in Rs.lacs)

| | For the year ended 31st March, 2014 | For the year ended 31st March, 2013 |
|---|--|--|
| 24 EMPLOYEE BENEFIT EXPENSES | | |
| a) Salaries and Wages (Refer note no. 45) | 990.83 | 4,273.30 |
| b) Contribution to Provident and Other Funds | 3.32 | 476.98 |
| c) Staff Welfare Expenses | 0.25 | 40.22 |
| Total Employee Benefit Expenses | 994.40 | 4,790.50 |
| 25 FINANCE COST | | |
| a) Interest Expense | | |
| Term Loan and Bonds | 1,614.51 | 3,186.88 |
| Others | 1,973.56 | 2,611.53 |
| b) Loss on Foreign Currency Translation | 106.18 | 60.11 |
| Total Finance Cost | 3,694.25 | 5,858.52 |
| 26 OTHER EXPENSES | | |
| a) Consumption of Stores and Spares | - | 284.57 |
| b) Consumption of Power and Fuel | 4.50 | 1,585.24 |
| c) Selling Expenses | - | 8.34 |
| d) Repair and Maintenance | | |
| -Plant and Machinery | - | 47.40 |
| -Others | - | 27.70 |
| e) Rent | 62.00 | 213.37 |
| f) Rates and Taxes | 2.52 | 12.78 |
| g) Insurance | 12.14 | 41.45 |
| h) Legal and Professional Expenses | 16.91 | 118.92 |
| i) Tours and Traveling Expenses | 1.45 | 112.75 |
| j) Payment to Statutory Auditors: | | |
| -Audit Fees | 1.75 | 7.00 |
| -Other Services (Certification Fees & Limited Review) | 0.75 | 3.00 |
| -Reimbursement of Expenses | 0.25 | - |
| k) Loss on Foreign Currency Fluctuation (net) | 362.14 | 113.34 |
| l) Miscellaneous Expenses | 4.24 | 64.71 |
| m) Provision for Doubtful Debts / Advances | 6.07 | - |
| n) Provision for Inventory Obsolescence | - | 294.47 |
| o) Provision for Diminution in Investment | 954.12 | 841.48 |
| Total Other Expenses | 1,428.84 | 3,776.52 |
| 27 IMPAIRMENT LOSS (Refer note no. 38 (b)) | | |
| a) Impairment of Plant and Machinery | - | 27,977.06 |
| b) Impairment of Stores and Spares related to above | - | 410.35 |
| Total Impairment Loss | - | 28,387.41 |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

28. CONTINGENT LIABILITIES AND COMMITMENTS

i. Contingent Liabilities not provided for in respect of:

(Rs. 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 | 445.12 |
| Sales Tax Matters | 3,198.19 | 584.42 |
| Excise Duty and Service Tax Matters | 2,756.41 | 2,756.41 |
| UPSEB claims | 61.75 | 61.75 |
| EOU de-bonding | 758.80 | 758.80 |
| Others | 158.92 | 158.92 |
| 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. | 1,207.54 | 1,011.34 |
| 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 (**) | 1,651.53 | 1,390.88 |

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 Rs. 227.25 lacs (Previous year Rs. 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 Rs. 1,233.24 lacs. The actual amount can be determined on receipt of confirmation from the party.



SAMTEL COLOR LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

(**) 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 previous 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, 2014 and year ended March 31, 2013:

(Rs. in lacs)

| Particulars | For the Year Ended 31.03.2014 | For the Year Ended 31.03.2013 |
|--|----------------------------------|----------------------------------|
| Income available to Equity Shareholders | | |
| Net Profit | (7,229.27) | (45,977.81) |
| Dividend on Preference Share and Tax thereon | (1,207.54) | (1,011.34) |
| Diluted Income / (Loss) available to Equity Shareholders | (8,436.81) | (46,989.15) |
| Number of Shares at the beginning of the year | 8,45,98,597 | 8,45,98,597 |
| Corporate Guarantee given by the Company (having optional right of conversion into Equity) (no. of Shares) | 14,74,58,036 | 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) | 25,26,75,190 | 19,10,73,697 |
| Nominal value per Equity Share (Rs. per Share) | 10.00 | 10.00 |
| Basic Earnings per Share (Rs. per Share) | (9.97) | (55.54) |
| Diluted Earnings per Share (Rs. per Share) | (9.97) | (55.54) |



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 2014. 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 | @ Rs. per Share | Number of Shares issued | Number of Options elapsed | Balance options to be exercised | Share premium account (Rs. 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 | 8,928 | 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 31.03.2014, in respect of gratuity, the Company has accumulated liability of Rs. 2,123.44 lacs against funded assets of Rs. Nil (Previous year as on 31.03.2013, the Company had accumulated liability of Rs. 1,978.17 lacs against funded assets of Rs. Nil). While in respect of leave encashment, as on 31.03.2014, the Company has accumulated liability of Rs. 134.06 lacs (Previous year as on 31.03.2013, the Company had accumulated liability of Rs. 134.06 lacs).



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

In absence of actuarial valuation in the previous and current year, the reconciliation of opening and closing balances of the present value of the defined benefit obligation is not given.

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 Rs. 3.32 lacs (Previous Year Rs.320.93 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 :

| A Names of related parties and description of relationship | |
|--|--|
| a) Parties where control exists: | b) Key Management Personnel |
| -Associate | Mr. Satish K. Kaura (Chairman and Managing Director) |
| Samtel Glass Limited | |
| | c) Relatives of Key Management Personnel |
| | 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 Limited (formerly Samtel Avionics and Defense Systems Limited) | |
| Lenient Consultants Private Limited | |
| CEA Consultants Private Limited | |
| SW Consultants Private Limited | |
| Tish Consultants Private Limited | |
| Kaura Properties 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 | |
| Akla Investments Private Limited | |



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

(Rs. In lacs)

| B) Details of transactions with the above related parties in the ordinary course of business | | | | | | |
|---|---|-------------------------------|-------------------------------|-----------------------------|------------------|------------------|
| Names of Related Parties | Amount of Transactions | | | Outstanding Balances | | |
| | Particulars | For the year Ended 31.03.2014 | For the year Ended 31.03.2013 | Particulars | As At 31.03.2014 | As At 31.03.2013 |
| Associate | | | | | | |
| Samtel Glass Limited (SGL) | Purchase of Goods | - | 605.59 | Advance against Supply | 308.04 | 298.21 |
| | Scrap Sales | - | 6.85 | Investments | 2,790.87 | 2,790.87 |
| | Employees on deputation | - | 2.15 | Security Deposit Receivable | 155.00 | 155.00 |
| | Share of Corporate office Expenses | - | 10.88 | | | |
| | Power & Fuel Expenses | - | 494.48 | | | |
| | Manpower Expenses | - | 52.65 | | | |
| | Rental Income (Lease) | - | 1.10 | | | |
| | Expenses incurred by the Company on behalf of SGL | 9.83 | - | | | |
| Other Parties | | | | | | |
| Samtel India Limited (SIL) | Interest Income on ICD | 4.47 | 23.80 | Creditors for Services | - | 4.05 |
| | Manpower Hiring Charges | - | 30.52 | Investments | 295.20 | 295.20 |
| | Receipt against outstanding ICD | 100.00 | 70.00 | Share Capital | 592.29 | 592.29 |
| | | | | Loans and Advances | 157.56 | 154.30 |
| | | | | ICD Receivable | - | 100.00 |
| Samtel Machines and Projects Limited (SMPL) | Interest Income on ICD | - | 8.38 | Creditors for Services | - | 95.79 |
| | Manpower Hiring Charges | - | 1.70 | Loans and Advances | 37.41 | - |
| | Receipt against outstanding ICD | - | 107.00 | Advance Subscription | 3,000.00 | 3,000.00 |
| | | | | Share Capital | 901.80 | 901.80 |
| | | | | Share Premium | 441.51 | 455.51 |
| Samtel Electron Devices, GmbH | | | | Corporate Guarantee | 1,651.53 | 1,390.88 |
| International Electron Devices Limited | Purchase of Goods | - | 472.69 | Creditors | 1,239.40 | 1,239.40 |
| Samtel Avionics Limited (SA) | Sale of Electron Guns | - | 2.49 | Share Capital | 182.71 | 182.71 |
| | Expenses incurred by (SA) on our behalf | 72.10 | 52.58 | Loans and Advances | 187.49 | 63.67 |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

| | | | | | | |
|---|--|-----------|-----------|------------------------|--------|--------|
| | Sale of Defective Items | 170.83 | - | | | |
| | Purchase of Deflection Yokes | 49.21 | - | | | |
| Samtel – HAL Display Systems Limited (SHDS) | Expenses incurred by (SHDS) on our behalf | - | 5.84 | Loans and Advances | 0.02 | 0.02 |
| 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 | 9.10 | 6.07 |
| CEA Consultants Private Limited | Interest on Loan | 16.19 | 16.19 | Share Capital | 429.89 | 429.89 |
| | | | | Unsecured Loans | 202.33 | 202.33 |
| | | | | Interest Payable | 43.71 | 29.14 |
| | | | | Share Premium | 395.81 | 395.81 |
| Swaka Consultants Limited | | | | Creditors for Services | 15.53 | 15.53 |
| Punswat Consultants Limited | Contract Labour Charges | - | 2.67 | Creditors for Services | 13.50 | 13.50 |
| Dolsun Containers Private Limited | Purchase of Goods | - | 14.21 | Investments | 6.40 | 6.40 |
| | Scrap Sales | - | 0.08 | | | |
| Key Management Personnel | | | | | | |
| Mr. Satish K. Kaura | Remuneration | - | 29.26 | Share Capital | 13.86 | 13.86 |
| | Personal Guarantee given for Term Loans taken by the Company | 41,426.74 | 40,856.59 | Unsecured Loans | 66.30 | 70.30 |
| | Receipt of unsecured loan | - | 28.00 | Interest Payable | 9.13 | 6.08 |
| | Payment of unsecured loan | 4.00 | - | | | |
| | 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.

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



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| | | (Rs.in lacs) | |
|---|---|--------------|---------|
| | Particulars | 2013-14 | 2012-13 |
| A | Principal amount remaining unpaid as on 31st March, 2014 | 122.56 | 122.56 |
| B | Interest due thereon as on 31st March, 2013 | 107.68 | 75.94 |
| 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. | 13.60 | 31.74 |
| E | Interest accrued and remaining unpaid as on 31 st March, 2014 | 121.28 | 107.68 |
| 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 Rs. 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.

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 Rs. 47,186 lacs, Preference Shares of Rs. 3,079 lacs and Zero Coupon Bond (ZCB) Rs. 1,540 lacs.
- (c) The scheme envisaged two options for repayment of debt to lenders. Under the settlement option of Rs. 23,036 lacs, the entire debt shall be settled against total payment of Rs. 14,685 lacs in three years from the effective date. Lenders opting



SAMTEL COLOR LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

for the restructuring option of Rs. 28,768 lacs shall get equity allotment of Rs. 4,642 lacs in addition to existing Non Convertible Redeemable Preference Share of Rs. 2,110 lacs and the balance debt of Rs. 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 Rs. 3,000 lacs through a preferential issue to be subscribed, Rs. 1,000 lacs within 6 months of the approval of the scheme and balance of Rs. 2,000 lacs within 18 months of the sanction of the scheme. Further, the promoters shall also undertake to arrange additional equity contribution of Rs. 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 Rs. 38,811 lacs. (Rs. 14,685 lacs due to lenders opting settlement option, Rs. 2,110 lacs of Non Convertible Cumulative Redeemable Preference Shares and Rs. 22,016 lacs due to lenders opting restructuring option).

The Company has made repayment of Rs. 10,337 lacs towards principal loan amount up to 31st March' 2014 out of total outstanding debts of Rs. 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 previous 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.

During the year, Export Import Bank of India has assigned its debts in the Company in favour of M/s Edelweiss Asset Reconstruction Company 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 remained suspended during the year. All of these have resulted into heavy losses.

Since the net worth of the Company was fully eroded at the end of the year 2012-12, 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 Rs. 13,163.66 lacs (Rs. 12,194.50 lacs debts and Rs. 969.16 redemption of 0% NCCRPS) to CDR lenders and Rs. 374.04 lacs to Non CDR lenders, as on 31st March 2014.

The defaults for Unsecured loans, devolved LC are Rs. 894.92 lacs and Rs. 15,538.72 lacs respectively.

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



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

(Rs. In lacs)

| Particulars (as on 31.03.2014) | Debts | Interest | Total |
|---------------------------------|------------------|-----------------|------------------|
| Defaults in Secured loans * | 13,163.66 | 5,654.95 | |
| Non – CDR Secured Loans | 374.04 | | 19,192.65 |
| Devolved Letter of Credits | 15,538.72 | 2,990.77 | 18,529.49 |
| Defaults in Unsecured Loans | 894.91 | 657.86 | 1,552.77 |
| Total | 29,971.33 | 9,303.58 | 39,274.91 |

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

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

(i) During the previous year, the Company had identified its production Lines 3 , 5 and Deflection 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 Deflection Yoke. During the previous 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 year 2011-12, 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 Rs. 27,977.06 lacs in year 2012-13 (In year 2011-12 Rs. 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 previous year, It was the management estimated sale value of Plant and Machinery (Rs. 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 Rs. 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 previous year and Line 1 and Line 4 in year 2011-12). 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 Rs. 27,977.06 lacs in year 2012-13 (Rs. 3,866.91 lacs in year 2011-12) 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 Rs. 410.35 lacs in year 2012-13 (Rs. 512.28 lacs in year 2011-12) 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 2014.
- e) Due to suspension of operations in all the plants during part of the year, the fixed assets were not verified by the management.



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

- 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 and IFCI Limited amounting to Rs. 954.12 lacs (Previous year Rs. 841.48 lacs). In case of Samtel Glass Limited, the investment value is taken on the basis of three years (Previous year three 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, 2014. In view of the management, the basis of considering three years average book value for computing the diminution in the value of investments is reasonable.
- h) During the year the Company has received notice u/s 13(4) of The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 from the lead Bank. Pursuant to this notice the Company has not provided interest on loans from CDR lenders during part of the year.

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:

(Rs. in lacs)

| Particulars | As At 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| Opening Balance | (16,060.46) | (3,117.06) |
| Current Period Deferred Tax Liability / (Asset) | (2321.10) | (12,943.40) |
| Opening Rate Difference | - | - |
| Closing Balance | (18,381.56) | (16,060.46) |

- (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 31.03.2014 | As At 31.03.2013 |
|---|---------------------|---------------------|
| Deferred Tax Liabilities : | | |
| Tax impact of difference between carrying amount of Fixed Assets in Financial Statements and Income Tax Returns | 5,923.64 | 5,440.89 |
| Sub Total (A) | 5,923.64 | 5,440.89 |



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31st MARCH 2014

| | | |
|---|--------------------|--------------------|
| Deferred Tax Assets : | | |
| Tax impact of expenses charged in the Financial Statements but Allowable as deductions in future years under Income Tax | 1,675.11 | 1,672.26 |
| Tax impact of unabsorbed business loss / depreciation for the Current year | 22,630.07 | 19,829.09 |
| Sub Total (B) | 24,305.18 | 21,501.35 |
| Net Deferred Tax Liability / (Assets) (A) – (B) | (18,381.56) | (16,060.46) |

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 Rs. 18,381.56 lacs (Previous year Rs. 16,060.46 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 Rs. Nil (Previous year Rs. Nil). The additions to Fixed Assets include additions aggregating Rs. Nil (Previous year Rs. 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 Rs. 62.00 lacs (Previous year Rs. 213.37 lacs) has been charged to Statement of Profit and Loss.

43. Movement in Share Premium Account:

(Rs. in lacs)

| Particulars | For the Year Ended 31.03.2014 | For the Year Ended 31.03.2013 |
|------------------------------|----------------------------------|----------------------------------|
| Opening Balance | 6,619.98 | 6,619.98 |
| Add: Amount on Equity Shares | - | - |
| Closing Balance | 6,619.98 | 6,619.98 |

44. At the close of the previous 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 Rs. Nil (net) (Previous year Rs. 3,283.87 lacs), which includes liabilities provided in earlier year – previous year at the time of publication of unaudited quarterly results as per sebi guidelines, forming part of other income.

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 Rs. Nil (Previous year Rs. Nil)

47. Bluebell Trade Links Private Limited, one of the subsidiaries of the Company, is yet to commence commercial operations.



SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

48. The consolidated financial statements have been prepared in accordance with the requirements of Accounting Standard (AS-21) "Consolidated Financial Statements" and Accounting Standard (AS-23) "Accounting for Investments in Associates in Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
49. 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, 2014.

50. Additional Information:

| a) | Installed Capacity and Actual Production | Installed Capacity (in Nos.) | | Actual Production (in Nos.) | |
|----|--|------------------------------|------------|-----------------------------|----------|
| | | For the Year | | | |
| | | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| | Products | | | | |
| | Color Picture Tubes | 26,00,000 | 26,00,000 | - | 5,16,191 |
| | Color Electron Guns | 120,00,000 | 120,00,000 | - | 7,06,622 |
| | Color Deflection Yokes | - | - | - | - |

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

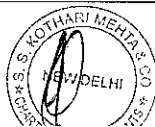
| b) | Stock and Sales | For the Year | | | |
|------|-------------------------------------|----------------|---------------------|----------------|---------------------|
| | | 2013-14 | | 2012-13 | |
| | Products | Qty. (In Nos.) | Value (Rs. in lacs) | Qty. (In Nos.) | Value (Rs. in lacs) |
| | Color Picture Tubes | | | | |
| i) | Opening Stock of Finished Goods | 5,252 | 82.27 | 6,311 | 88.59 |
| ii) | Closing Stock of Finished Goods | 5,252 | 82.27 | 5,252 | 82.27 |
| iii) | Sales of Finished Goods | - | - | 5,17,250 | 6,624.54 |
| | Color Electron Guns | | | | |
| i) | Opening Stock of Finished Goods | - | - | - | - |
| ii) | Closing Stock of Finished Goods @ @ | - | - | - | - |
| iii) | Sales of Finished Goods @ | - | - | 15,544 | 27.56 |
| | 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 Nil nos. (Previous year 6,25,397 nos.) used for captive consumption.

@ @ Closing stock of Color Electron Guns does not include 78,086 nos. (Previous year 78,086 nos.) Since the same is kept for captive consumption. Out of this stock, during the year, 43,408 nos. (Previous year 43,408 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 Nil 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 CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

| c) | Raw Material and Components Consumed | For the Year Ended | | | |
|----|--------------------------------------|--------------------|------------------------|-------------------|------------------------|
| | | 31.03.2014 | | 31.03.2013 | |
| | | Qty. (In Nos.) | Value (Rs. in lacs) | Qty. (In Nos.) | Value (Rs. in lacs) |
| | Products | | | | |
| | | | | | |
| | i) Glass Components | - | - | 11,24,472 | 2,803.31 |
| | ii) Electronics Components | - | - | 33,50,295 | 2,730.75 |
| | iii) Miscellaneous * | - | - | - | 649.67 |
| | Total | - | - | | 6,183.73 |

* 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 | | | |
|----|--|--------------------|-------|-----------------|---------------|
| | | 31.03.2014 | | 31.03.2013 | |
| | Particulars | (Rs. in lacs) | % age | (Rs. in lacs) | % age |
| | i) Raw Material and Components Consumed | | | | |
| | - Imported | - | - | 4,840.04 | 78.27 |
| | - Indigenous | - | - | 1,343.69 | 21.73 |
| | Total | - | - | 6,183.73 | 100.00 |
| | ii) Stores and Consumables Consumed | | | | |
| | - Imported | - | - | 14.28 | 5.02 |
| | - Indigenous | - | - | 270.29 | 94.98 |
| | Total | - | - | 284.57 | 100.00 |

(Rs. in lacs)

| | Particulars | For the Year Ended | |
|-----|--|--------------------|------------|
| | | 31.03.2014 | 31.03.2013 |
| e) | CIF Value of Imports | | |
| i) | Raw Material and Components | - | 5,201.71 |
| ii) | Stores and Spares | - | 16.78 |
| f) | Expenditure in Foreign Currency | | |
| | (Net of Indian Taxes) (Cash Basis) | - | - |
| i) | Professional and Technical Fees | - | - |
| ii) | Others | - | 0.42 |
| e) | Earnings in Foreign Exchange | | |
| | FOB Value of Exports | - | - |

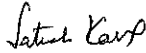


SAMTEL COLOR LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH 2014

51. 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).
52. Previous year figures have been regrouped / rearranged wherever necessary to conform to this year's classification.

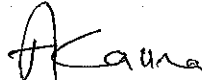
For & on behalf of the Board of Directors

Place : New Delhi



Satish K. Kaura

Chairman & Managing Director



Alka Kaura

Director



Prabhat Kumar Nanda
Company Secretary

Date : May 30, 2014



SAMTEL COLOR LIMITED

Registered Office: 501, 5th Floor, District Centre, Jasola, New Delhi 110025.

PROXY FORM

I/We (Name(s).....of
(Address).....
being a Member / Members of SAMTEL COLOR LIMITED hereby appoint (Name)
of (Address).....
or failing him (Name).....of
(Address).....

as my / our proxy to attend and vote for me / us and on my / our behalf at the 28th Annual General Meeting of Samtel Color Limited to be held on Tuesday, the 30th September 2014 at 3.00 P.M. at Banquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi 110025.

Signed this.....day of....., 2014

Regd. Folio No. : DPID/Cinet ID No. :

Signature of Attested by

the Proxy Holder:..... **Member :**

Note: The proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

SAMTEL COLOR LIMITED

Registered Office: 501, 5th Floor, District Centre, Jasola, New Delhi 110025.

ATTENDANCE SLIP

I hereby record my presence at the at the 28th Annual General Meeting of Samtel Color Limited to be held on Monday, the 30th September 2014 at 3.00 P.M. at Banquet Hall, Jasmine Boutique Hotel, 50, Pocket – 1, Jasola, New Delhi 110025.

Regd. Folio No.: DPID/Cinet ID No. :

Name : Father's Name :

Address :

.....
Signature of the Member / Proxy holder

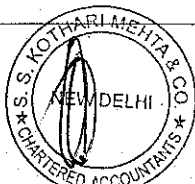
Note : Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and hand it over at the Verification counters

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 2014 |
| 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>(A) We had reported in our audit report for the year ended 31st March 2012 as under:-</i></p> <p><i>(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 reasoning to their over-dues; (iv) the Company has defaulted in repayment of loans as per CDR scheme and borrowings of other lenders, as elaborated in note no. 38 of the financial statements; (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 21,10,116 8% Non Convertible Cumulative Redeemable Preference Shares.</i></p> |



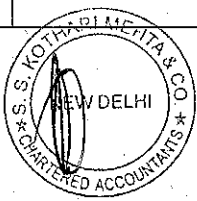
(B) We further reported in our audit report for the year ended on 31st March, 2013 as under:-

(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 lac,, (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".



(C) We further report that during the year ended 31st March, 2014 the facts and situation mentioned above continues and further the company:

- (1) has not complied with the provisions of clause 35 of listing agreement (submission of shareholding pattern) and requirements of SEBI circular no. D & CC/ FITTC/CIR-16/2002 dated 31.12.2002 regarding Reconciliation of Share Capital Audit Report, for the quarter ended 31st December 2013. Default still continues.
- (2) 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.
- (3) 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. Thus the inventories have been taken on the basis of management certification.
- (4) We are unable to comment on the procedures of physical verification of inventory followed by the management for the reason 2 above.
- (5) Due to the reasons mentioned in 2 above, we are unable to comment on the inventory records and discrepancies thereto.
- (6) The loan was repayable on demand. However the receipt of the interest on this loan was irregular.
- (7) As informed to us, there are no overdue amounts except interest thereon.
- (8) In our opinion, the Company should strengthen internal audit system commensurate with its size and nature of its business.
- (9) 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, We are of the opinion that the prescribed accounts and records have not been maintained. Therefore we are unable to comment on the accuracy and completeness of these records.
- (10) According to information and explanations given to



| | | |
|---|--|--|
| | | <p><i>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 ` 122.48 lacs of TDS, ` 0.40 lacs of TCS, ` 258.74 lacs of Provident Fund, ` 100.09 lacs, ` 140.50 lacs of Vat & CST, ` 259.93 lacs of Excise, ` 0.50 lacs of WCT and ` 331.74 lacs as interest on non payment/ delayed payment of various statutory dues.</i></p> <p><i>(11) The Company has accumulated losses as at 31st March, 2014 of ` 72,721.75 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.</i></p> <p><i>(12) 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 mention.</i></p> |
| 4 | Frequency of qualification | <p>The qualification mentioned at Sr. no. (A) and (B) has been repetitive nature since 31st March, 2012, & 31st March, 2013 respectively.</p> <p>The qualification mentioned at Sr. no. C (under point no. 1 to 13) have been appeared First time in this year report.</p> |
| 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> <ul style="list-style-type: none"> - The Company is taking necessary steps to streamline the restructured operations of some of the manufacturing facilities. Thus, the Company feels that it can operate as "Going Concern" in foreseeable future. - The Company has impaired the plant & machinery and its related stores & spares of some of its manufacturing facilities and provided for diminution in value of long term investments on the basis of applicable accounting standards. - The Company will obtain the balance confirmation and reconciliation thereof from creditors / debtors in due course. - During the year, the fixed assets of the Company were not verified by the management. However, the management |



| | | |
|---|---|---|
| | | <p>does not expect any major discrepancy.</p> <ul style="list-style-type: none"> - Due to suspension of operations in all the locations the physical verification of inventory could not be done on March 31, 2014. However, the management is of the view that there are not any major discrepancies in inventory. - 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. - As the volume of the transactions are very low, therefore, management is not in a position to appoint Internal Auditor. Further, the company has the company has sufficient internal controls. - Bankers have taken action under SARFEASI Act on possession of the property of the company against the outstanding debts and interest. - The statutory payments will be cleared on availability of the funds with the company. - <i>With regard to provisions of clause 35 of listing agreement (submission of shareholding pattern) and requirements of SEBI circular no. D & CC/FITTC/CIR-16/2002 dated 31.12.2002 regarding Reconciliation of Share Capital Audit Report, for the quarter ended 31st December 2013. The same has been complied with, the company has already filed the same reports with the stock exchanges. The company has also given representation to the stock exchange with regard to cause of delay happened.</i> |
| 6 | Additional comments from the board/audit committee chair: | The company is registered with Bureau of Industrial & Financial Reconstruction (BIFR) 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



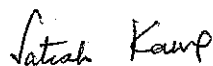
K K Tulshan

Partner

Membership NO. 085033



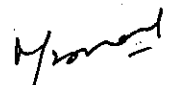
**For & On behalf of the Board of Directors
of Samtel Color Limited**



(Satish K Kaura)
Chairman &
Mg. Director



(Uday Sethi)
Director
(Chairman
of the Audit
Committee)



(Manoj Bhala)
C F O